# PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 464 (Part 1)

# HOUSE OF COMMONS

OFFICIAL REPORT

SECOND SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-SIXTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2006–2007

COMPRISING PERIOD
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# THE PARLIAMENTARY DEBATES

## OFFICIAL REPORT

IN THE SECOND SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-SIXTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

**SIXTH SERIES** **VOLUME 464**

TWELFTH VOLUME OF SESSION 2006-2007


# House of Commons

*Monday 8 October 2007*

*The House met at half-past Two o'clock*

**PRAYERS**

[MR. SPEAKER *in the Chair*]

# Oral Answers to Questions

## WORK AND PENSIONS

*The Secretary of State was asked—*

### Worklessness

1. **Michael Fabricant** (Lichfield) (Con): What recent assessment he has made of trends in the level of worklessness among under 25-year-olds since 1997; and if he will make a statement. [156103]

9. **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): What recent assessment he has made of trends in the level of worklessness among under 25-year-olds since 1997. [156111]

**The Secretary of State for Work and Pensions (Mr. Peter Hain):** Claimant unemployment is falling for 18 to 24-year-olds and is down 138,000 since 1997.

**Michael Fabricant:** Now that the red flag has been hauled down and the yellow flag of cowardice has been hoisted, what is the Secretary of State's vision for youth unemployment, given that so many more people who have been on the new deal have gone back on to jobseeker's allowance?

**Mr. Hain:** The truth is that, compared with when the Tories were in power, when young people had virtually no chance of getting a job in constituencies such as mine, unemployment has been cut, youth unemployment has been cut and long-term unemployment—more than a year—has been virtually eradicated. That is a record of which we are proud, and the new deal for young people has made an enormous contribution to that—a new deal opposed by the Conservatives.

**Mr. Crabb:** The number of young people leaving the new deal to go straight back to benefits has spiralled in recent years and the number of 18 to 20-year-olds not in education, employment or full-time training has increased sharply. Does not that show that the claim that youth unemployment has been virtually eradicated is nonsense and that, despite all the billions of pounds of expenditure on the new deal in the past five years, we still have a serious and growing problem with a hard core of unskilled, unmotivated young people who are effectively doing nothing with their lives?

**Mr. Hain:** In the hon. Gentleman's constituency, long-term, six month-plus youth unemployment has fallen by 94 per cent. since we came to power. I can give him lots of other figures, including about the very high number of vacancies in his constituency. There are plenty of jobs in his constituency, and that is true right across the country. Yes, there is an issue about 16 to 17-year-olds, which we are addressing, but it would not be addressed by the bankrupt policies of the Conservatives.

**Chris Ruane** (Vale of Clwyd) (Lab): What role does my right hon. Friend think city strategies can have in tackling worklessness among the under-25s?

**Mr. Hain:** Those strategies can have an enormous role, and I congratulate my hon. Friend on chairing the city strategy project in Rhyl, which has got off to a flying start. He has brought together local employers and all the other agencies. The strategies are focused on tackling some of the problems right at the centre of our towns and cities that are still very serious and part of a legacy that we inherited 10 years ago. We are doing something about it.

**Mike Penning** (Hemel Hempstead) (Con): The hon. Member for Vale of Clwyd (Chris Ruane) is doing something about it.

**Mr. Hain:** My hon. Friend is indeed doing something about it, and I am glad that the hon. Gentleman is joining me in congratulating him on what he is doing in Rhyl to tackle some of the serious problems of people who are also involved in drugs and other problems in some of our most disadvantaged areas. In Rhyl, people are showing the way forward, and we will all need to consider whether that model can be applied elsewhere.

**Mr. Frank Field** (Birkenhead) (Lab): Given that, during the past three years, 2 million people have come to this country to work and have found work, does my right hon. Friend not feel that our welfare-to-work strategy is somewhat disappointing? Given that we are not now to have an election, might we have a debate in Government time on the new proposals that he intends to introduce to help and encourage more people to move from benefit to work?

**Mr. Hain:** As my right hon. Friend knows, we are consulting, including with him, on how we take on the next stage of getting more people into work. The truth is that we have been incredibly successful in the past 10 years in tackling the main problem of those who are in and around the job market, with 2.7 million extra jobs in the past 10 years, about 800,000 of which involve those who have come from outside the country to work in Britain and are contributing to our economy. However, there is still a high level of people on long-term benefits, which we intend to tackle. That is why we published our Green Paper, "In work, better off: next steps to full employment", and I will certainly work with my right hon. Friend and anyone else who has ideas to contribute during the consultation that ends at the end of this month.

**Chris Grayling** (Epsom and Ewell) (Con): I welcome the Secretary of State back from the campaign trail. I have been wondering over the weekend whether he is one of the Cabinet's young Turks or grey beards.

The Secretary of State talks about youth unemployment. According to the Office for National Statistics, overall youth unemployment is almost 50,000 higher than it was when the Government came to office. Does he accept that situation?

**Mr. Hain:** As the Secretary of State responsible for the grey citizens in this country, I take pride in that role. Furthermore, when we look at our record on youth unemployment compared with what we inherited in 1997, we see the truth: the rates of both claimant and International Labour Organisation youth unemployment have fallen since 1997. The new deal for young people has reduced total and long-term youth unemployment and virtually eradicated long-term claimant unemployment—those claiming for a year or more. Those figures have gone down by 90 per cent. since 1997.

Despite the continual attacks on the new deal for young people, independent assessment has shown that the total number claiming jobseeker's allowance for more than six months would have been twice as high as it is now. That is all a result of our achievements, but we have got to do more—and we will do more.

**Chris Grayling:** I find it baffling when the Secretary of State talks about his achievements. According to the Office for National Statistics, the unemployment rate among 16 to 24-year-olds was 14.1 per cent. in 1997; today it is 14.5 per cent., and nearly 50,000 more young people are unemployed. When the Secretary of State said to this House,

"Actually, youth unemployment has been all but eradicated"—[*Official Report*, 18 July 2007; Vol. 463, c. 283.]

was he telling the truth?

**Mr. Hain:** I repeat to the hon. Gentleman the point that I have already repeated: long-term youth unemployment—those on the claimant count for more than a year—has been virtually eradicated. That is a fact. He can check the statistics with me; I am happy to exchange correspondence with him on the issue. The truth is that we have a good record on increasing the number of jobs for young people. We continue to do so. However, there are more young people in the under-25 age group in the labour market now. That accounts for some of the points made by the hon. Gentleman, but he should check his figures.

**Mr. Barry Sheerman** (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree that there is still a problem that we must resolve? Will he look at some of the exciting pilots that depend on intensive mentoring? There is one in east London and we are starting one in Huddersfield. Jobcentre Plus and bureaucracies such as learning and skills councils often get in the way of such pilots. Will he visit some of those interesting pilots?

**Mr. Hain:** I am certainly happy to look into those projects. Yes, there is a whole issue about mentoring. The question is not only about getting young people into jobs, but about keeping them in those jobs; that is where mentoring comes in. Such mentoring is important for all sorts of categories of people who have been on long-term benefits, as it makes sure that they sustain their employment. When mentoring is applied, such people often do so.

## Pensions

2. **David Tredinnick** (Bosworth) (Con): How many complaints he has received on the administration of pensions in 2007. [156104]

**The Minister for Pensions Reform (Mr. Mike O'Brien):** Most individual complaints would be dealt with by pensions centres or the Pension Service chief executive. In respect of occupational pension schemes, complaints would be dealt with by internal procedures or the pensions ombudsman. It follows that few complaints would go to the Secretary of State; the Department does not therefore take account of the figure.

**David Tredinnick:** I am disappointed to hear that reply. When the Prime Minister was Chancellor, he was responsible for complicating occupational pension schemes to such an extent that many of them were shut down by the trustees.

On another point, will the hon. and learned Gentleman explain why the unclaimed assets fund is being used only for youth projects? None of that money is going towards helping those pensioners who suffered so much through the failure of the schemes.

**Mr. O'Brien:** Last week, the Conservative party claimed that unclaimed assets could be used—in pension and other funds, as far as I am aware—to make payments and refloat the lifeboat that was sunk in July by the report issued by the Government Actuary, Andrew Young. That report clearly stated that

"we do not believe that...'unclaimed assets' are credible alternative funding sources."

**Sir John Butterfill** (Bournemouth, West) (Con): Does the hon. and learned Gentleman agree that there is a real problem in recruiting trustees for the administration of private pensions? That is partly due to the requirements put on pension funds by the regulator. For example, there is now a requirement for trustees to become professionally qualified. That has been difficult. In the case of our own scheme, which I have the honour to chair, all our trustees took the Pensions Management Institute examinations. However, it is proving increasingly difficult for other schemes to recruit people to become trustees given both the potential liabilities that they face and the requirement for additional learning. Before, it was considered sufficient for them to take appropriate professional advice.

**Mr. O'Brien:** As it happens, I met the regulator this morning and discussed this very point with the chairman and the chief executive. There is concern about the level of qualifications that it appears that some trustees are obliged to achieve. As part of the deregulatory review, I want to look at the issue. I am not sure that the statute is the problem—it is more the guidance that seems to be given. As a result of the review, I hope that we will be able to make it much clearer that the level of competence required of trustees consists of a reasonable knowledge, plus common sense, and that we will not deter large numbers of people from becoming trustees at a time when we need them. The hon. Gentleman's point is well made.

**Mr. John Redwood** (Wokingham) (Con): How many complaints does the Minister know about concerning the very large sums of money taken out of funds each year under the tax policy of the previous Chancellor of the Exchequer, and the ineffectiveness of the regulator to resist those demands?

**Mr. O'Brien:** Of course, the regulator's aim is to ensure that we have a stable and effective pensions scheme. By and large in recent years, since the office of the regulator has been established, it has gained credibility and increased confidence in the pensions industry. As a result of the creation of the regulator, we have a pensions industry that is much stronger than it was.

## New Deal

3. **Keith Vaz** (Leicester, East) (Lab): What plans he has to visit Leicester to discuss the new deal. [156105]

**The Secretary of State for Work and Pensions (Mr. Peter Hain):** More than 1.8 million people have been helped into work through the new deal programme, including 11,790 people in Leicester, of whom 3,330 people are in my right hon. Friend's constituency, which I have of course visited at his invitation before.

**Keith Vaz:** I thank the Secretary of State for that answer and ask him to visit again—so successful was his last visit. When he comes to Leicester, will he come with me to visit a community-based scheme called Business-to-Business, which over the past few years has helped hundreds, if not thousands, of people into work as part of the new deal arrangement? Does he agree that that is the basis of the new deal—enabling people from diverse backgrounds to get into full-time work so that they can help to sustain the wonderful British economy that we have at the moment?

**Mr. Hain:** I acknowledge the important role that Business-to-Business has played, especially in tackling a problem that is close to my right hon. Friend's heart: the difficulties faced by ethnic minority communities, particularly in city and town centres. That remains a big challenge for us and it is one of the outstanding issues that we need to address. I also welcome the fact that Leicester is one of our city strategy pathfinders, tasked with improving local employment rates. I know that my right hon. Friend has been invited to the launch on 19 October.

**Mr. Ian Davidson** (Glasgow, South-West) (Lab/Co-op): Once the Minister has visited Leicester, will he continue travelling north and visit my constituency, where in the last year to date unemployment has fallen by 16.2 per cent.? That is welcome, but does he agree that it is not good enough and that areas such as mine ought to be made targets for zero unemployment? That is entirely possible in an area such as mine, where the number of jobs coming in is greater than the number of unemployed. However, priority needs to be given to people locally who are unemployed. Will he agree to direct the Department accordingly?

**Mr. Hain:** Yes.

**Mr. Davidson:** Thank you!

**Mr. Hain:** I will certainly see what I can do about my travels. I did not respond directly to the request made by my right hon. Friend the Member for Leicester, East (Keith Vaz) about visiting Leicester. We will look into the matter. I know that my hon. and learned Friend the Minister for Pensions Reform is due to visit Leicester soon. Perhaps he can accompany my right hon. Friend to a project such as the one he mentioned.

I was in Scotland a few weeks ago and what struck me was the way in which, over the past 10 years under a Labour Government, the economy has been transformed. There are more jobs than ever before and, in areas including the constituency of my hon. Friend the Member for Glasgow, South-West (Mr. Davidson), we are beginning to tackle successfully some of the deep-rooted and deep-seated problems of people who have been on benefits year after year as a result of the Tories' miserable failure throughout the United Kingdom, and especially in Scotland, when they were in government.

## Child Poverty

4. **Mr. Stewart Jackson** (Peterborough) (Con): What his latest assessment is of the trends in levels of child poverty. [156106]

**The Minister for Employment and Welfare Reform (Caroline Flint):** We have succeeded in arresting and reversing a historical upward trend in child poverty, which led to its doubling under successive Conservative Governments. Since 1997, Government policies have lifted 600,000 children out of relative poverty, with fewer children living in workless households and increases in lone parent employment.

**Mr. Jackson:** In his plagiarised speech at the Labour conference, the Prime Minister said that the

"goal for this generation is to abolish child poverty".

How does the Minister reconcile those remarks with the fact that, according to figures from March this year, the number of children in poverty has risen by 200,000 to 3.8 million, after 10 years of a Labour Government? We still have the highest number of children living in workless households in the whole of Europe. What about rhetoric and reality?

**Caroline Flint:** One thing that is for sure is that in 1997 we had the worst record in Europe, and today, although there is more to be done, we are recognised as having the greatest improvement of any European Union country. Since 1997, over 2 million more people are in work, and unemployment is close to its lowest levels since 1975. Of course we have to do more, but the difference between today and 1997, when we came to power, is that then there had been 20 years of an increasing trend of child poverty. That trend upwards has been halted. We do not believe that the latest figures represent a trend in the wrong direction, but our Green Paper asks important questions: what more can we do to provide work for those who currently do not have it, and to make work pay?

**Kali Mountford** (Colne Valley) (Lab): Is not persistent inter-generational worklessness at the heart of the problem? What more can be done to ensure that people who stay out of work continually, from one generation to another, and who have that as the norm, can be signposted, so that we make sure that they take part in this new generation of work and do not stay out of society?

**Caroline Flint:** My hon. Friend makes an important point. The saddest thing to hear from staff working in our jobcentres is that they are dealing with the son of someone whom they dealt with 20 years ago. Breaking the cycle of inter-generational unemployment is a huge challenge, and there are no quick-fix solutions. Our ambition must be that when children look out of the window of a morning, they see a community on its way to work. We have to make sure that we provide the means, the resources and the expectations if that is to happen.

**Mr. Robert Goodwill** (Scarborough and Whitby) (Con): As we currently measure relative poverty, the only way to reduce child poverty is to increase pensioner poverty, and vice versa. Has the Minister looked at more realistic ways of measuring actual poverty, so that we can have a more sensible debate about the subject?

**Caroline Flint:** We have been successful in reducing both child poverty and pensioner poverty, so we must be doing something right. There is a lot of debate about the different factors that affect poverty. We use relative poverty because globally it is widely regarded as one of the best ways to assess poverty, but we consider other aspects, too. It is important that we do not look at the issue solely in terms of income. Our decent housing programme is contributing to supporting people, so that they live in better homes with lower fuel costs; and our education and skills programmes equip people to take on work that is much more skilled today than it was 20, 30 or 40 years ago—people have to face up to that fact. Of course, the issue is also about making sure that parents understand how important it is to support their children in having aspirations, and we support parents in doing just that.

**Mr. Stephen Hepburn** (Jarrow) (Lab): I thank the Minister for taking the time to visit my constituency this summer; it was a worthwhile visit. She learned that almost 3,600 children in my constituency live in workless households. That means that about four in 10 young children going to school do not have the experience of a parent in work. Now that she has come up and seen that, may I ask what conclusions she has drawn, and how she plans to tackle the issue?

**Caroline Flint:** I very much enjoyed my visit to my hon. Friend's constituency. I visited the Sure Start children's centre, where I met women who had been helped by Sure Start and by people who work in jobcentres and who come to the Sure Start centre to provide the information that women need in order to make choices about going into work. One area where we have to work harder is in making the convincing case that people are better off in work. That is one of the issues that I am looking at closely, because I think that people still do not understand what is available to them when they are in work, and what they do not lose by being in work. We have to make that case more strongly and clearly, and I welcome any suggestions on helping us to achieve that.

**Danny Alexander** (Inverness, Nairn, Badenoch and Strathspey) (LD): The fact is that child poverty rose in the past year. What is more, according to Save the Children's devastating assessment published last week, child poverty will not be abolished on current trends until 2049—30 years after the Government's deadline. As the Government search for a new vision, will the Minister support policies to increase child benefit and investment in educational opportunities for the poorest children, so that they can escape the circumstances of their parents? I suggest that that could be paid for by scaling back the tax credits paid to middle and high-income families.

**Caroline Flint:** I think that I have already said that I accept that there was a rise in part of our figures on child poverty this year, but it is important to look at the overall trend rather than just at one year. This involves a challenge, but we are the first Government in this country to set a child poverty target and to challenge the assumptions that have gone before. The child benefit rate will go up to £20 from April 2010, and from April 2009 women will get child benefit from the 29th week of their pregnancy.

Those are examples of what we have announced this year as part of the 2007 Budget, but there is more that we can do. We have also announced a roll-out of

in-work credit for lone parents of £40 across the country and of £60 in London in recognition of the particular costs there. We can be proud of what we have achieved, but we cannot be complacent about the evidence of unemployment in families and in communities that has gone on for too long.

**Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): Six hundred thousand children are living in households whose incomes are too low to pay income tax, but which are still required to pay the full amount of council tax. I know that the Department has said that it will review the thresholds for council tax benefit and income tax. May I ask when?

**Caroline Flint:** My hon. Friend raised this issue in her Select Committee report, and I understand that we are considering it and will get back to her on it. We have just extended a pilot that was started in the north-east, in which we looked for greater collaboration between our Jobcentre Plus staff, Her Majesty's Revenue and Customs and the local authorities, to try to achieve simplification of the way in which people juggle different benefits and in-work and out-of-work credits. I hope that, if that works in the further extension of the pilots, we can seek to develop it elsewhere. In the first pilot, the time taken to sort out the benefits for people was reduced by two thirds. That has a psychological impact on people who are choosing whether to stay on benefit or to work. Making a difference in that kind of process could make the situation a lot better.

**Julia Goldsworthy** (Falmouth and Camborne) (LD): Will the Minister promise joint action between her Department, the Treasury and the Department for Environment, Food and Rural Affairs to tackle the high water bills for South West Water customers? Does she accept that, without measures to make water more affordable, her Department will not meet its child poverty targets in that region?

**Caroline Flint:** I am happy to look into that question on the hon. Lady's behalf. Of course, it is important not only to consider the bills but to conserve water and ensure that we use only what we need and do not overuse it. I will write to the hon. Lady on the issue, if she will bear with me.

## Jobcentre Plus (Telecoms Charges)

5. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What recent discussion he has had with Ofcom on the charging policies of telecommunication companies toward the 0845 numbers used by Jobcentre Plus; and if he will make a statement. [156107]

**The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire):** Jobcentre Plus conducted a review, which was completed in July, which investigated the inbound telephone numbering plan that supports the contact centre and benefit delivery centre operations. During the review, Ofcom's call numbering team was approached on an informal basis for advice on developing the Jobcentre Plus internal numbering strategy, particularly regarding the future tariff structures of the 0845 range.

**David Taylor:** Some telecoms providers charge higher than normal rates for all 08 numbers, even so-called freephone numbers, which means that some unemployed Jobcentre Plus clients are paying charges that they cannot afford for the advice, information and assistance that they need. Will the Minister tell the House why those people cannot ring a local centre, at lower, local rates? Will she expand the review to which she has referred to include this issue, and reassure us that the Department is not receiving a rake-off from the excess charges generated at the moment?

**Mrs. McGuire:** I am aware that some mobile phone companies charge significantly over the basic rate. We have had discussions with them, but their pricing policies are very much a matter for them. I want to give my hon. Friend some comfort, however. Since 1 August, the cost of an 0845 number on BT lines has fallen from 3p to 2p a minute. When someone calls our helpline, we are careful to make them aware how long the call will take, and to ensure that they are aware of the mobile phone charges that can accrue to the call. We then advise them that they can phone back on a land-line if they want to do so. If they cannot do that, our advisers will call them back. That ensures that nobody is disadvantaged because they cannot afford the price of a telephone call.

**Andrew Selous** (South-West Bedfordshire) (Con): Is the Minister aware that many people trying to claim benefits over the phone either cannot get through or are told that they will be called back even though they do not have a phone? The social fund commissioner's office found that fewer than one in five calls were answered, so will the Minister end the Government's complacency about the effect of the faceless state on people in real difficulties and ensure that those in particular need can either see a Jobcentre Plus official or have an official make the call on their behalf?

**Mrs. McGuire:** I appreciate the enthusiasm that the hon. Gentleman brings to his post, but we do of course offer face-to-face interviews with Jobcentre Plus advisers in appropriate circumstances. The hon. Gentleman shakes his head, but I can assure him that that is the case. It is very clear in some application processes that a third person can speak on behalf of the applicant. More than 90 per cent. of calls are answered, but we are aware that we have to continue to review matters in order to ensure that the system is made even better. I take great exception to the hon. Gentleman's comment that this amounts to a "faceless state". We have a whole range of committed and dedicated benefit advisers across the country whose main job and principal occupation and commitment is to ensure that people get the help that they need at the time that they need it.

**Mrs. Gwyneth Dunwoody** (Crewe and Nantwich) (Lab): The benefit advisers do a very good job, but is it not fairly tacky to use such a system for people to apply for the assistance and help to which they are entitled? Would it not be better simply to ask that no Government Department anywhere in Whitehall continue the growing practice of using 0845 numbers? If people have already paid through their taxes to receive services from Her Majesty's Government that are of a high standard, no impediment should be placed in their way.

**Mrs. McGuire:** With the utmost respect, may I say to my hon. Friend that we have discovered that contact centres are generally more convenient for customers to access, because they remove the need personally to go to a local jobcentre. On cost comparisons, I have already said that the cost of a land-line telephone call is 2p a minute. Again, with the greatest respect, I have to say that, in comparison with the cost of a bus or train journey to a local office, contact centres are appropriate for most people. Harking back to my response to the hon. Member for South-West Bedfordshire (Andrew Selous), we will ensure that where people want an interview and in some instances a face-to-face application process we will deliver that.

### Local Employer Partnerships

6. **John Robertson** (Glasgow, North-West) (Lab): What mechanisms are in place to assess and audit the adequacy of skills training provided by employers involved in local employer partnerships. [156108]

**The Minister for Employment and Welfare Reform (Caroline Flint):** Through local employment partnerships, we will be working with employers to enable individuals to get the preparation and training that they need to support their movement into work. In England and Wales, Ofsted and its Welsh equivalent, Estyn, have the responsibility to assess the effectiveness of training contracted and funded by the Government. In Scotland, all Scottish Enterprise national training programmes must conform to Scottish quality management system standards.

**John Robertson:** I thank my hon. Friend for her answer. I am sure that she will agree with me that the importance of skills and training is utmost in everybody's minds, particularly with the Olympic games and the biggest build programme in Glasgow's history, as well as—hopefully—build for the Commonwealth games and Glasgow's bid. Will she ensure that apprenticeship training is valid and relevant to the jobs that are needed, and that the skills shortage and gap will be taken care of in future?

**Caroline Flint:** My hon. Friend raises a very important point. It is absolutely key that the Department for Work and Pensions and the Department for Innovation, Universities and Skills work together to ensure that the connection between employer and training is strengthened. I was very pleased to visit Portsmouth this summer, where VT Shipbuilding is working with the Confederation of Shipbuilding and Engineering Unions and Jobcentre Plus to produce a fantastic programme. Pre-employment training is provided in the shipyard, ending with an offer of adult traineeships up to a very high standard. Four men who had been out of work for a considerable time got those jobs. I am meeting some of the companies working to build the infrastructure around the Olympic games. I take on board my hon. Friend's point, and I would be happy to talk to him further about what we can achieve in this area.

### Child Maintenance

7. **Mr. Douglas Carswell** (Harwich) (Con): What representations he has received on his proposals for changing child maintenance arrangements over the past three months. [156109]

**The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt):** Following the formal consultation on the child maintenance White Paper, published in December last year, we published our response document in May. We have continued to meet stakeholders to discuss the reforms to child maintenance. In the past three months, for example, we have met the Child Poverty Action Group, Families Need Fathers and One Parent Families. We continue to work closely with all stakeholders.

**Mr. Carswell:** What reassurances can the Minister give to the many thousands of families struggling with the current system that the IT used by the Child Maintenance and Enforcement Commission will work this time around?

**Mr. Plaskitt:** Those people will not have to wait until CMEC is in operation because we are already engaged in a programme of improving the CSA's IT system. A number of important releases are out already and the system is operating a lot better, which is why, since the operational improvement programme commenced in April 2006, we are getting child maintenance payments to 63,000 more children, and why we can report that the applications backlog is down by 36 per cent. We are clearing new applications faster, partly because of existing IT improvements.

**Mrs. Joan Humble** (Blackpool, North and Fleetwood) (Lab): As well as receiving representations from the various charities involved in this area, has my hon. Friend received representations from the Public and Commercial Services Union, on behalf of the staff who will administer the new system? When I talked to them in Blackpool, they said that they were becoming increasingly anxious about how they will manage the old calculation, the new calculation and the new-new calculation when CMEC is introduced.

**Mr. Plaskitt:** I can reassure my hon. Friend on that point. We are closely engaged with our staff. I have had a number of meetings with staff representatives over the last year, and I know that other colleagues in the Department have done the same. The staff tell us, overwhelmingly, that they are right behind the Government's reforms, and they welcome the improvements that the operational improvement plan is already achieving. They also welcome some new powers that we have given staff—for example, to collect child maintenance debts.

Although we are discussing with staff particular issues about transitional arrangements such as those that my hon. Friend mentioned, our staff want to work for an efficient system that delivers more child maintenance to more children; they recognise that the changes we are introducing are set to achieve just that.

**Peter Bottomley** (Worthing, West) (Con): Will the Minister please ask Sir Leigh Lewis to pass on to his staff Members' thanks for the detailed work that they have put into the inquiries that we make on behalf of our constituents and our hope that the new systems will work better? Will the Minister also ask the Prime Minister to instruct permanent secretaries to say to Secretaries of State that they do not want to introduce systems that will not work first time around? We should not have to have a running experiment for two years, causing disaster to so many families.

**Mr. Plaskitt:** I will certainly pass those comments on, and I agree with the hon. Gentleman that this is not an area for experimentation. The CSA has been troubled almost since the day of its inception. We all accept that this is a difficult policy area, and we have taken through reforms that have achieved some improvement, but we all recognised—right across the House, I think—that there was a really tough problem with the agency.

We decided that, because of their problems, the agency and the system as they currently exist cannot go on. That is why we decided to introduce the new arrangement under the commission, why we are taking time to ensure that we get that right, why we are deliberately taking time over the transitional arrangements to ensure that they are right as well, and why, in the meantime, we are investing additional people and resources to improve the agency's performance. On all counts, it is improving.

### Pension Protection

8. **Willie Rennie** (Dunfermline and West Fife) (LD): If his Department will review the compensation rate for those who lost out when their occupational pension schemes were wound up. [156110]

**The Minister for Pensions Reform (Mr. Mike O'Brien):** Yes.

**Willie Rennie:** As the Minister will be aware, more than 120,000 people work for companies that have gone out of business leaving insufficient money in their pension funds. When will he agree that the Government's compensation scheme should be bolstered to ensure that those workers receive the same compensation as is available under the Pension Protection Fund?

**Mr. O'Brien:** The financial assistance scheme assets review is being led by the Government Actuary, Andrew Young, and is considering the better use of the assets currently in failed pension schemes. The Government have indicated that we are prepared at least to match any extra funding that might arise out of the assets review. Further funding is therefore available. The Government have the goal of moving towards a 90 per cent. top-up rate, and we are determined to seek justice for pensioners.

**Andrew Miller** (Ellesmere Port and Neston) (Lab): I welcome my hon. and learned Friend's comments, especially on behalf of the HH Robertson's pensioners in my constituency, whose scheme, which is covered by the rules, failed in 1996. Many people have now received payments from the scheme, and there have been many letters of thanks. I pay credit to the staff who have dealt with the complicated casework. Will he ensure that complex cases such as bridging pensions are dealt with as a priority before moving on to the kind of detail suggested by the hon. Member for Dunfermline and West Fife (Willie Rennie), because such pensioners deserve support now?

**Mr. O'Brien:** We are trying to get as much support as possible to pensioners, and I have made changes to the rules in the past month—for example, agreeing that trustees will be able to make payments directly rather than having to go to the financial assistance scheme first. The FAS has now paid out just under £9.1 million to 2,560 qualifying members. A further 868 members will be paid as soon as they have confirmed their personal details, and an additional 814 members have been assessed as eligible for FAS payments when they reach 65.

**Mr. Graham Stuart** (Beverley and Holderness) (Con): The Conservative party promised last week to refloat the lifeboat and ensure that pensioners receive a payment within three months of a Conservative Government taking office. Does the Minister recognise that the British people feel cheated of the opportunity to vote for an incoming Government who could bring justice to pensioners rather than the injustice that they have suffered under Labour?

**Mr. O'Brien:** Tory fantasy finances will not help those pensioners. Last week, the Conservatives tried to refloat a lifeboat proposal that sank last July following Andrew Young's report. It was sunk not by the Government, but simply by the fact that the cost of increasing the fund to PPF levels, as proposed by the Tories, is £2.7 billion in cash terms over 50 years. The Tories have not shown how they can provide that money, and fantasy finances will help no one. There are two realistic ways of providing finances: one is better use of assets in the failed schemes; the other is through the taxpayer. We are awaiting further information from Andrew Young on how we can better use those assets, and we have indicated that we will provide Government funding. That is the realistic way of getting justice for pensioners. The proposals that the Tories have made will achieve nothing: they are pure fantasy.

**Mr. Nigel Waterson** (Eastbourne) (Con): Why does the Minister show passion only when he says no to pension victims? Why cannot he have the courage of his convictions and follow what the Conservative party pledged to do if it won the election, but which the Prime Minister bottled out of—get the first payments to victims from a proper lifeboat fund within three months, by 1 February? Why cannot he do the same?

**Mr. O'Brien:** The Conservative party made a proposal that simply does not float. The Government Actuary clearly set out why it is not credible to try to manufacture such funding from something vaguely called unclaimed assets. The Government have offered taxpayers' money and a realistic proposal to bring together the assets of failed pension schemes better to ensure that they can provide for those who need justice. The Tories proposed nothing realistic; it was pure fantasy. This Government are determined to do justice to pensioners, and to do it properly.

### Child Maintenance

10. **Rosie Cooper** (West Lancashire) (Lab): What changes he plans to make to the system of calculating maintenance payments to reduce avoidance of payments by self-employed non-resident parents; and if he will make a statement. [156112]

**The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt):** With the compliance rate among self-employed non-resident parents at 59 per cent., it is clearly important to take further measures, which we are doing in the Child Maintenance and Other Payments Bill. For example, the use of Her Majesty's Revenue and Customs information and fixed-term maintenance awards will speed up the process and help to prevent self-employed non-resident parents from providing delayed or misleading information.

**Rosie Cooper:** As well as accurate assessments, enforcement of the assessments is vital. Every week, I see cases where it is obvious that the tax return information and the figures that are submitted to the CSA are quite unrelated. I have spoken to the CSA, which does not use Her Majesty's Revenue and Customs departments as well as it might. What can be done to ensure that people do not use self-employment deliberately to delay or obstruct the enforcement of their child maintenance liability?

**Mr. Plaskitt:** I thank my hon. Friend for that further point. We have all seen similar cases in our constituency surgeries. That is why we are introducing additional powers in the Child Maintenance and Other Payments Bill, which is now going through Parliament: first, the power to use gross income information from HMRC, which will give us a more robust and reliable source of information about real income than what some self-employed non-resident parents tell us; secondly, the power to use fixed-term awards; and, thirdly—and importantly for those who are still inclined not to co-operate—powers to deduct money directly from accounts that self-employed people might have with various financial institutions.

**Mr. Mike Weir** (Angus) (SNP): The Minister will be aware, however, that much of the problem arises when someone's lifestyle is obviously at variance with their declared income. He said that we would use HMRC data, but one of the problems is that when there is evidence of a difference between lifestyle and declared income, the CSA often does not properly investigate it. Will the HMRC data be treated as sacrosanct or will CMEC have powers to investigate further when there is evidence that they do not equate with the lifestyle of the person involved?

**Mr. Plaskitt:** The hon. Gentleman identifies a correct point. One of the problems was that the CSA was, in a sense, originally designed and set up to be an investigatory agency, but was never given the powers to be one. The difference with the new commission is that it will have the right to access HMRC data, which are far more reliable on real income levels than the evidence that self-employed non-resident parents submit to the agency. With the use of HMRC data and the other steps we are taking, especially the power to have direct access to finance accounts, we are confident that we can certainly make it far more difficult for self-employed non-resident parents to evade their responsibility to maintain their children.

**Mr. Kevan Jones** (North Durham) (Lab): What would the Minister say to the gentleman—I will call him Mr. X—who came to my surgery on Saturday, a self-employed individual who has supplied all his information to the CSA, which has lost his file on two separate occasions? He has asked for a statement of what he has paid and how the calculation has been made, only to be told that that information is not available to him or his solicitor. He is now being taken to court, on Friday, by a debt collection agency. I rang the MP hotline this morning, only to be told that I would have to put the case in writing to the CSA, which would have to contact the debt collection agency, which would then write back—a process taking four weeks. Does not the system cut MPs out of the loop? Should it not be a bit more responsive to the situation in which my constituent has found himself?

**Mr. Plaskitt:** My hon. Friend highlights an extremely complex case, of which there are still a fair number in the system. The length of time that it is taking to resolve the case that he outlined is, of course, not satisfactory. I should be more than happy to meet him urgently, to see whether I can make any intervention that might speed matters up.

## Long-term Benefits

11. **Mrs. Nadine Dorries** (Mid-Bedfordshire) (Con): What steps his Department is taking to ensure that there are jobs available for those leaving long-term benefits. [156113]

**The Secretary of State for Work and Pensions (Mr. Peter Hain):** There are currently around 650,000 unfilled vacancies across the economy. Jobcentre Plus alone takes over 10,000 new vacancies every working day, and at least as many again come up through other recruitment channels. However, we are redoubling our efforts to help jobless people by rapidly expanding local employment partnerships, to help 250,000 people from the most disadvantaged groups into work over the next three years.

**Mrs. Dorries:** Will the Secretary of State implement any of the proposals outlined in David Freud's report "Reducing dependency, increasing opportunity", which the Government commissioned? Has he discussed the report with the Prime Minister? If the recommendations are not to be implemented, will he tell us why not?

**Mr. Hain:** I have indeed discussed the report with the Prime Minister, and I have also discussed it with David Freud. Most of it has been accepted in our Green Paper. It makes an important contribution to ensuring that there are serious reductions in the number of people on long-term benefits and people who are not in the jobs market or even in job-focused benefit environments. I will not, however, follow the Tory path, which I assume the hon. Lady supports, of unfunded, uncosted programmes that will leave an enormous black hole in public finances, and which omit to point out that it is necessary to spend to save. That is what worried me about some of the announcements at the Tory party conference last week.

## LEADER OF THE HOUSE

*The Leader of the House was asked—*

### Parliamentary Questions

20. **Mr. Mark Harper** (Forest of Dean) (Con): How many and what percentage of questions tabled for answer on the three September answer days received a substantive answer on the due day. [156073]

**The Leader of the House of Commons (Ms Harriet Harman):** Written questions were tabled, under the new arrangements for September questions, by 136 hon. Members. Fifty-nine per cent. were answered on the specified answering day, with a further 24 per cent. answered subsequently in September. That amounts to 83 per cent. of questions answered in September.

**Mr. Harper:** That woeful performance—40 per cent. of questions not answered on the day on which answers were due—shows that the Government are failing to provide the answers that the country needs in a range of policy areas. That, no doubt, is why the Prime Minister was frightened to go to the country to receive the answer to the question that we all want to ask.

**Ms Harman:** The hon. Gentleman may not be aware that under the last Government no questions were answered in September, although hon. Members could table them. This is a new procedure. More Members have asked questions on September question days than did so last year. The time taken to answer them, on average, is about the same as the time taken on non-September sitting days. Obviously, we all want all questions to be answered as quickly as possible.

**Mr. David Kidney** (Stafford) (Lab): Only in Parliament, during September, was there no debate about an early election. Only in Parliament was there no debate about an international credit crunch, a run on a bank in Britain, foot and mouth disease for the second time, the bluetongue virus and the speculation about when we should call the election. Does my right hon. and learned Friend agree that written answers are not a suitable alternative to substantive debate about the big issues of the day, and that Parliament should sit in September?

**Ms Harman:** The House did sit in September for two years as an experiment. My hon. Friend will know that on 1 November last year, in a free vote, the House decided not to continue September sittings. He will probably also know that the Modernisation Committee is to consider whether the arrangements for recall of Parliament are sufficiently accessible to Members.

**Simon Hughes** (North Southwark and Bermondsey) (LD): Does the Leader of the House accept that while of course it is helpful to be able to table written questions during a recess, it would be even more helpful if Prime Ministers and other Ministers made major statements to Parliament, rather than to the country from abroad, when a few days later they could be accountable here?

**Ms Harman:** If the House is not sitting and Ministers need to give out information, they have no option but to give it out publicly and not to this House. When the House is sitting, we very much take the view that information should be given to Parliament first.

## HOUSE OF COMMONS COMMISSION

*The hon. Member for North Devon, representing the House of Commons Commission, was asked—*

### Bottled Water

23. **Mr. John Spellar** (Warley) (Lab): How much bottled water was (a) sold and (b) provided within the House in the most recent year for which figures are available. [156077]

**Nick Harvey** (North Devon) (LD): A total of 105,957 litres of bottled water was sold by the House of Commons Refreshment Department in 2006-07. In the same year, 16,200 litres of bottled water were supplied to the Department of the Serjeant at Arms for use in Committee Rooms, and 34,000 litres of bottled water were provided mainly in water coolers to staff of the House.

**Mr. Spellar:** I thank the hon. Gentleman for that answer, but is it not time, when we are looking at environmental change and the enormous environmental costs of bottled water, that the House of Commons stopped preaching to the rest of the country and started to reduce its use of bottled water, to use tap water and to stop all the waste of the empty bottles, too?

**Nick Harvey:** I have a lot of sympathy with what the right hon. Gentleman says. Of course, in the restaurants and bars of the House, this is a matter of choice for the individual consumer. Tap water is available free of charge in all Refreshment Department outlets. In March, the Administration Committee studied the issue of Committees using water and concluded that logistical constraints, health and safety issues and staffing costs meant that there was quite a complex issue to be considered. If he wishes to look at that report and to make further suggestions, I assure him that it need not necessarily be viewed as the last word on the matter.

**Peter Bottomley** (Worthing, West) (Con): Would it not be a good idea, if we have to have bottles, to have them refilled from the tap in the House rather than their being carried from one part of the country to another?

**Nick Harvey:** As I say, I have a lot of sympathy with that proposition. That was exactly what the Administration Committee looked at. If the hon. Gentleman wishes to make further proposals to the Committee, I am sure that it will be pleased to listen to them.

## LEADER OF THE HOUSE

*The Leader of the House was asked—*

### European Scrutiny Procedures

24. **Mr. David Heathcoat-Amory** (Wells) (Con): What recent proposals she has made for the reform of European scrutiny procedures. [156078]

**The Deputy Leader of the House of Commons (Helen Goodman):** The Government are well aware that there is dissatisfaction in many quarters about the scrutiny of European measures in this House. In its 2005 report, the Modernisation Committee identified the need to look at how to reinvigorate the work of the European Standing Committees. We are continuing to examine possible ways forward, and the Government expect to make proposals in due course.

**Mr. Heathcoat-Amory:** That will not do. It was two and a half years ago that the Modernisation Committee brought out that report, chaired by the then Leader of the House, now the Secretary of State for Work and Pensions. Since then, absolutely nothing has been done. The report referred to

"worrying shortcomings in the House's scrutiny of EU business".

More than 1,000 new measures are being proposed every year, and only a tiny fraction is scrutinised or debated properly. Rather than talk about the powers and rights of this House, will the Government do something about them and make some proposals?

**Helen Goodman:** The right hon. Gentleman is an experienced member of the European Scrutiny Committee. As such, he must know that it is very important that we get the proposals and any changes right. As with the management of all business before the House, it is partly a matter of balancing resources, including Members' time. The Government are well aware of the concerns and continue to give the matter proper attention.

**Michael Connarty** (Linlithgow and East Falkirk) (Lab): I echo the sentiments that were expressed by the right hon. Member for Wells (Mr. Heathcoat-Amory), who is a very active member of my Committee. The arrangements were that, if any European business was referred by our Committee, so that its merits could be considered, it would go to the Standing Committees of the House, three of which were established with fixed memberships and agendas. One of the great problems that face Parliament is that, for two Sessions now, Sessional Orders have turned that scrutiny process into nothing but another kind of statutory instrument process. May I have an assurance that Sessional Orders will not be laid this year and that Committees with agendas and fixed memberships will be re-established to give some decent scrutiny to European business?

**Helen Goodman:** My hon. Friend is a most diligent Chairman of the European Scrutiny Committee. I pay tribute to him for the work that he has done in that role. The difficulties to which he refers relate to the difficulties in finding Members who are prepared to serve on the Standing Committees as they are currently structured. That is why the Government are looking more widely at structural reforms.

**Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): The Prime Minister has said that he wishes to make Parliament the crucible of public life and that he wants open government, but the European Scrutiny Committee continues to meet in private. Will the Deputy Leader of the House commit to opening up this Committee, or is she going to bottle it, just like the Prime Minister?

**Helen Goodman:** The hon. Gentleman is right: as with many Select Committees, some sittings of the European Scrutiny Committee are held in private. When discussions have been held about making all sessions open to the public, the votes have proved contradictory. The issue is extremely controversial but the point is well understood.

# Iraq

3.30 pm

**The Prime Minister (Mr. Gordon Brown):** With permission, Mr. Speaker, I want to make a statement to set out detailed proposals for political reconciliation and economic reconstruction in Iraq, for the security of the Iraqi people, for the future configuration, new equipment and security of our own armed forces, and about the obligations that we owe to the local Iraqi staff who have supported us in our efforts.

I start as the whole House would want me to, by paying tribute to the seven members of our armed forces who, since July, have lost their lives in action in Iraq: Corporal Stephen Edwards, Private Craig Barber, Leading Aircraftman Martin Beard, Lance Sergeant Christopher Casey, Lance Corporal Kirk Redpath and Sergeants Mark Stansfield and Eddie Collins. I want to pay tribute also to the 18 who have died in Afghanistan: Lance Corporal Alex Hawkins, Guardsman David Atherton, Sergeant Barry Keen, Lance Corporal Michael Jones, Captain David Hicks, Privates Tony Rawson, Aaron McClure, Robert Foster, John Trumble, Damian Wright, Ben Ford, Johan Botha and Brian Tunnicliffe, Senior Aircraftman Christopher Bridge, Sergeant Craig Brelsford, Corporal Ivano Violino, Colour Sergeant Phillip Newman and Major Alexis Roberts.

They died doing vital work in the service of our country. We owe them, and others who have lost their lives, a deep debt of gratitude. They will never be forgotten. I also want to send our wholehearted sympathy to the families of those who have fallen, and to the injured and their families.

Our strategy in Iraq as a Government has been first, political reconciliation, to work to bring together the political groupings in Basra and across Iraq; secondly, security, to ensure that the security of the Iraqi people and the new Iraqi democracy is properly safeguarded, as well as the security of our own armed forces; and thirdly, economic reconstruction, to work for an economy in Iraq where people have a stake in the future.

Our strategy is founded on the UN mandate renewed last November in UN Security Council resolution 1723. Whatever disagreements there have been with our decision to go to war, there can be little disagreement about the unanimous UN position affirming the right of the Iraqi people freely to determine their own political future, calling upon

"the International Community, particularly countries in the region and Iraq's neighbours, to support the Iraqi people in their pursuit of peace, stability, security, democracy and prosperity".

Let me affirm, as I told Prime Minister Maliki last week, and as I have agreed with President Bush and our other allies, that we will meet our obligations, honour our commitments and discharge our duties to the international community and to the people of Iraq.

The future depends first of all upon sustained progress on political reconciliation. That is why, when I met Prime Minister Maliki and Vice-President Hashemi in Baghdad last week, I said that it was vital—they agreed—that the three plus one leadership group of the Prime Minister and presidency council meet now to take the political process forward; that key legislation be passed on sharing oil revenues, the constitutional review and provincial elections; that the Government must reach out to disaffected groups, as well as decide on next steps on detainees; and that local elections go ahead in early 2008 making provincial councils more representative. Our message to the Government of Iraq and to the leaders of all Iraqi communities and parties is that they must make the long-term decisions needed to achieve reconciliation.

The support of Iraq's neighbours—including a commitment to prevent financing and support for militias and insurgent terrorist groups—is also critical to ensuring political reconciliation and security. I urge all nations to implement the international compact to renew Iraq's economy, to participate in the neighbours conferences to boost co-operation and surmount divisions in the region, and to support the enhanced UN mission in Iraq. I renew our call—which I believe will be supported in all quarters of the House—for Iran and Syria to play a far more constructive role by halting their support for terrorists and armed groups operating in Iraq, continuing to improve border security, and arresting and detaining foreign fighters trying to reach Iraq. And we must all act against the presence of al-Qaeda in Iraq. When the people and security forces stand up to al-Qaeda—as in Anbar province, which it had declared to be its base—it can be driven out.

As I turn to the security situation, I would like to take this opportunity to pay tribute to the steadfastness of our coalition partners who are working with us—there are troops from Denmark, the Czech Republic and Lithuania—and to the continuing Australian and Romanian role. The achievement of a democratic Iraq matters to every civilized nation, and I pay tribute to all 26 nations—led by General Petraeus and the US—that have troops on the ground in Iraq.

As the Petraeus-Crocker report set out, the security gains made by the multinational forces this year have been significant, and as important as improving current security is building the capacity of the Iraqi forces so they can achieve our aim: that Iraqis step up, and progressively take over, security for themselves. In 2004, it was agreed with the Iraqi Government that in each of the 18 provinces security responsibility would be progressively transferred to Iraqi authorities as and when the conditions were right. Now we are in a position to announce further progress.

Over the past four years, the UK has helped train over 13,000 Iraqi army troops, including 10,000 now serving with the 10th Division which has been conducting operations in Basra and across the south of the country without any requirement for coalition ground support. As we also tackle corruption, 15,000 police officers are now trained and equipped in southern Iraq. The Iraqi army 14th Division, with about 11,000 men, is in the process of joining them and has already taken on responsibility for Basra city, bringing security force levels in the south to almost 30,000 now and over 35,000 by June next year.

Since we handed over our base in Basra city in early September, the security situation has been calmer. Indeed, in the last month there have been five indirect fire attacks on Basra air station, compared with 87 in July. Although the four southern provinces have about 20 per cent. of the population, they account for less than 5 per cent of overall violence in Iraq.

*[The Prime Minister]*

During our engagement in Iraq, we have always made it clear that all our decisions must be made on the basis of the assessments of our military commanders and actual conditions on the ground. As a result of the progress made in southern Iraq, US, UK and Iraqi commanders judged over the last 15 months that three of the four provinces in the UK area of control in southern Iraq were suitable for transition to the Iraqis. They have subsequently been transferred to Iraqi control.

As part of the process of putting the Iraqi forces in the lead in Basra, we have just gone through a demanding operation which involved consolidating our forces at Basra airport. That was successfully completed, as planned, last month. The next important stage in delivering our strategy to hand over security to the Iraqis is to move from a combat role in the rest of Basra province to overwatch, which will itself have two distinct stages. In the first, the British forces that remain in Iraq will have the following tasks: training and mentoring the Iraqi army and police force; securing supply routes and policing the Iran-Iraq border; and the ability to come to the assistance of the Iraqi security forces when called upon. Then in the spring of next year—and guided as always by the advice of our military commanders—we plan to move to a second stage of overwatch where the coalition would maintain a more limited re-intervention capacity and where the main focus will be on training and mentoring.

I want now to explain how—after detailed discussions with our military commanders, a meeting of the national security committee, discussions with the Iraqi Government and our allies, and subject, of course, to conditions on the ground—we plan from next spring to reduce force numbers in southern Iraq to a figure of 2,500. The first stage begins now. With the Iraqis already assuming security responsibility, we expect to establish provincial Iraqi control in Basra province in the next two months, as announced by the Prime Minister of Iraq; to move to the first stage of overwatch; to reduce numbers in southern Iraq from 5,500 at the start of September to 4,500 immediately after provincial Iraqi control and then to 4,000; and then in the second stage of overwatch from the spring—and guided, as always, by the advice of our military commanders—to reduce to around 2,500 troops, with a further decision about the next phase made then. In both stages of overwatch, around 500 logistics and support personnel will be based outside Iraq but elsewhere in the region. At all times, therefore, we will be achieving our long-term aim of handing over security to the Iraqi armed forces and police, honouring our obligations to the Iraqi people and their security, and ensuring the safety of our forces.

I would also like to take this opportunity to pay tribute to the work of our civilian and locally employed staff in Iraq, many of whom have worked in extremely difficult circumstances, exposing themselves and their families to danger. I am pleased therefore to announce today a new policy which more fully recognises the contribution made by our local Iraqi staff, who work for our armed forces and civilian missions in what we know are uniquely difficult circumstances. Existing staff who have been employed by us for more than 12 months and have completed their work will be able to apply for a package of financial payments to aid resettlement in Iraq or elsewhere in the region, or—in agreed circumstances—for admission to the UK. Professional staff, including interpreters and translators, with a similar length of service who have left our employ since the beginning of 2005 will also be able to apply for assistance. We will make a further written statement on the detail of that scheme this week.

The purpose of economic reconstruction is to ensure that ordinary Iraqis have a stake in the future. So, as a result of work launched with Prime Minister Maliki in July, the provincial council has created the Basra investment promotion agency and is forming a Basra development fund—$30 million from the Iraqi Finance Minister—to help small business access finance. As announced this morning by the Iraqi Government, we have agreed on the need for a new Basra development commission. It will bring national, regional and international business knowledge together, and provide advice on increasing investment and economic growth. It will host a business leadership conference to strengthen the engagement of the UK private sector in Iraq. It will help the provincial authorities to co-ordinate projects to strengthen Basra's position as an economic hub, including the development of Basra international airport and the renovation of the port.

I can tell the House that in addition to our support for humanitarian assistance—additional support announced today by the Department for International Development—Deputy Prime Minster Barham Saleh has announced over $300 million for investment in Basra. This will be increased again in 2008, ensuring that the third stage of what we are trying to do—economic reconstruction—can make real progress.

The safety and security of our armed forces remains our highest priority. The Mastiff patrol vehicle offers the best known protection against mines and roadside bombs. I can announce today that, in addition to the 100 bought and deployed last year in Iraq and Afghanistan, the Ministry of Defence is placing an order for 140 Mastiff patrol vehicles. In recognition of the work of all our forces in Iraq and Afghanistan and to help our troops stay in touch with home, we will now provide additional funding from the Reserve to double the number of internet terminals and provide free wireless internet for soldiers in Iraq and Afghanistan, so that they can e-mail their families from their living quarters.

I am also convinced after my visit to the region that progress cannot be fully achieved without progress on Israeli-Palestinian issues. A few days ago, we published our proposals for an economic road map to underpin the peace process—a programme for economic and social support for rebuilding the Palestinian economy and the reduction of high levels of poverty among the Palestinian people. The Foreign Secretary and I believe—as I think does the whole international community, including the US, the European Union and the Arab League—that the current dialogue between President Abbas and Prime Minister Olmert offers the best chance of final status negotiations since 2000. The next step is a meeting of the parties and key international players in November, at which we would like to see an agreement that puts the Israelis and Palestinians on a path to real negotiations during 2008, leading to a final settlement of two states living side by side in peace and security. There will be a donors conference in December. The international community will work with Prime Minister Fayyad to

strengthen the economy of a future Palestinian state. I welcome Tony Blair's work as the Quartet envoy on this. The UK will continue to support the political process and to provide support for humanitarian assistance and economic development, and I assure the House of my personal commitment to doing all that we can to ensure progress. Working for a successful conclusion to the middle east peace process, taking on al-Qaeda terrorism and ensuring a more secure Iraq are all key to the future stability of the region.

We have made commitments to the Iraqi people through the United Nations, and we will honour those obligations. We will continue to be actively engaged in Iraqi political and economic development. We will continue to assist the Iraqi Government and their security forces to help build their capabilities so that they can take full responsibility for the security of their own country. It is also important to remember what has brought us to this stage: the determination, professionalism and sacrifice of our armed forces. They have protected the Iraqi people while training their security forces to bring peace to their cities, towns and districts. The scale of their achievement will always be remembered, and we will continue to discharge our duties to them and to the international community.

I commend the statement to the House.

**Mr. David Cameron** (Witney) (Con): May I start by welcoming the Prime Minister's statement? I hope that he will agree that statements on our troops should always be made in the House of Commons. I join the Prime Minister in paying tribute to the 25 servicemen who have died in Iraq and Afghanistan since we last met. We owe them and their families a huge debt for their professionalism, courage and sacrifice.

The whole country will welcome the fact that more of our troops are coming home, and no one will be more relieved than the families of the troops concerned. Could the Prime Minister clarify one point in that regard? He spoke about 500 logistic staff who will be based outside Iraq. Can he confirm that they will be moved from Iraq, or are some of them already based in neighbouring countries?

May I also welcome today's announcement about the Iraqi interpreters? People who have risked their lives for Britain should never be let down by Britain.

In Iraq, our overriding objectives should be to maximise the success of the mission and to minimise the danger to our troops. With that in mind, I wish to ask the Prime Minister about three main issues: the reduction in troop numbers, the goals and the safety of our remaining troops, and the steps being taken towards a political settlement.

On troop numbers, decisions should clearly depend on the build-up of the Iraqi army and the state of security in southern Iraq. Is the Prime Minister satisfied that the border between Iraq and Iran can be policed effectively, in what is called the second stage of overwatch, without the involvement of British troops? Is the Prime Minister satisfied that the 13,000 Iraqi troops that we have trained in the south are sufficient to maintain the security of southern Iraq?

That question leads to the second issue: the goals for our remaining troops and their safety. When troop numbers continue to be reduced, there comes a point at which they will lack a critical mass and cannot protect themselves properly. Is the Prime Minister absolutely satisfied that the reductions will not take us past that point? Furthermore, does he think that that is the minimum number necessary for such protection?

As the Prime Minister has said, Basra air station was subject to attack even before the move out from Basra palace. Is he now satisfied that the protection at Basra air station is adequate?

One of the purposes of the overwatch role is to deploy the troops again if necessary. So can the Prime Minister tell the House under what criteria such redeployment would take place, who would make that decision, and what size of force is required to make the potential to redeploy credible?

However much the international community does, there is clearly a limit to what outsiders are able to achieve. It is up to the Iraqi communities themselves to come together and achieve political stability. As anyone who has been to Iraq knows, political progress is painfully slow. The independent Government Accountability report in the United States last month said that just three of the 18 benchmarks that had been set for the Iraqi Government had been met. Will the Prime Minister confirm that no de-Ba'athification law has yet been enacted, and that laws governing the distribution of Iraq's oil revenues have been drafted but have not yet been passed?

The Prime Minister spoke about neighbours conferences. Does he agree that it is now time for a permanent international contact group, with a permanent secretariat, to ensure co-ordination with Iraq's neighbours on the crucial issues facing the country?

It is essential that we learn from the mistakes in Iraq and that we do not repeat them in Afghanistan: too little co-ordination, too little political progress and lack of a realistic plan. Now that more troops are coming home, may we have the independent inquiry we need to learn the lessons? The Chief of the Defence Staff said that when it comes to reporting on progress all we get are

"snapshots...sometimes really good and sometimes really bad".

Does the Prime Minister accept the need to provide Parliament with full, regular updates on progress in Iraq and Afghanistan, and will he take up our proposal for at least a full quarterly report?

On reflection does the Prime Minister agree that the way in which he made the announcement about troop withdrawals last week and the way it was briefed to the press were mistakes? He promised to make such announcements to the House of Commons, but he did not. He promised that 1,000 of our troops would be brought back before Christmas, yet is it not the case that 500 had already been announced and 270 were already back in the country?

I have to say to the Prime Minister that this is of a different order of magnitude from what we have had from him over the past decade. This is not double counting of Government spending. This is not just spinning the good bits of a Budget. This is about dealing with people's lives and the families of our brave servicemen, and does he agree that this is not an acceptable way for a Prime Minister to behave?

**The Prime Minister:** Let me say first where I agree with the right hon. Gentleman. I agree about the tribute that we both paid not only to those who have given their lives but to those who serve our country every day in the most difficult circumstances in Iraq.

I agree with the right hon. Gentleman, too, about the slow pace of political reconciliation in Iraq. It was precisely for that reason that I wanted to impress on Prime Minister Maliki the need for progress in bringing all the parties together and on the de-Ba'athification law, the distribution of oil revenues and setting up local elections, so that provincial elections, where councils are more representative, can take place. It is precisely for those reasons that I and others have to press Prime Minister Maliki and all the other sectarian groupings so that they can come together to form a Government who can work. We will work hard for political reconciliation.

The right hon. Gentleman's proposal for a permanent group is covered by a United Nations resolution at the moment. What is likely to happen over the next few months is that there will be a second UN resolution, and of course what happens after that can be part of the discussions with our allies about a UN resolution.

On troop movements and reconfigurations, let me explain to the House that overwatch is in two phases. The first stage gives us a re-intervention capacity and the capacity to operate supply lines and to look at the border issues that the right hon. Gentleman raised. It also gives us the capacity to train and mentor Iraqi forces. That is the position in three of the four provinces and we are likely to be in that position within two months in Basra province, which means that we shall be in a position to support Iraqi troops and also to re-intervene.

The next stage of overwatch can be entered only when we are satisfied that the security situation on the ground has improved. That is why we put so much emphasis on getting 30,000 security and police forces into Iraq, and it will be only when we decide, with military advice on the ground, that it is possible to move to the next stage that the main role of our troops will be training and support.

Of course, issues related to the Iraq-Iran border will be taken care of in that part of our work and we will also have to look carefully at whether there is a re-intervention capability in the spring, but the main work of our troops is what we have been aiming to achieve for years—to train Iraqi forces so that they can do the job for themselves. As far as the numbers are concerned—*[Interruption.]*—I am coming to exactly that point: 5,500 troops at the beginning of September, 4,500 immediately after provisional Iraqi control is declared, then down to 4,000 and then 2,500. That was not the announcement I made in Iraq last week. The announcement I made in Iraq last week was about what would happen in the next few weeks. This is the long-term strategy for overwatch—*[Interruption]*—which means that the number of troops falls from 5,500 to 2,500. An additional 500 troops will be outside Iraq—it would not be helpful to say where for security reasons—in the region, supporting the efforts of our troops in Iraq.

I make no apology for visiting our troops in Iraq. I would have been criticised if I had come to the House without visiting our troops in Iraq. I make no apology for spending time talking to the Iraqi Government, the Prime Minister, the Vice-President, the Economic Ministers and the military commanders on the ground. If we are to have responsible politics in this country—*[Interruption]*—Ministers who hold responsibility for the safety and security of our armed forces must visit them, listen to what they say, draw on their advice and then make the decision, which is what I am announcing today.

**Sir Menzies Campbell** (North-East Fife) (LD): The Prime Minister began with a tribute to those who have died and been injured. Let me, on behalf of my right hon. and hon. Friends, associate myself with that tribute. Let me, too, as he did, salute the professionalism and bravery of our armed forces—something that is too often taken for granted. The truth is, though, that they were given an impossible task in Iraq. Who now in the Government takes the blame for what the Chief of the Defence Staff called the "false and inflated expectations" of what they could achieve in Iraq?

Obviously, we welcome the Government's change of heart in relation to interpreters and other civilians, but we are entitled to ask why it has taken so long and precisely how generous the terms will be. What is the Government's estimate of the number of people who will be entitled to take advantage of that change of policy?

The Prime Minister has mentioned the target of 2,500 by next spring, but that is well below the figure that is thought appropriate for force protection. That has certainly been said by Ministers in recent times. In addition, from what the Prime Minister says, at 2,500, he does not anticipate any intervention taking place. If that is so, the question that immediately arises is what purpose will those troops serve.

The harsh truth is that Britain's involvement in Iraq has been a catastrophe. We have paid dearly in lives, resources and reputation. Is it not time to acknowledge that the presence of British troops in Iraq no longer serves any realistic military or political purpose. Is it not time, too, to acknowledge that, after four and a half years, Britain has more than fulfilled any moral obligation to the people of Iraq and that our obligation now is to our young men and women in our armed forces? Is it not time to acknowledge that the deployment in Iraq, where little more can be done, is prejudicial to our efforts in Afghanistan, where success is still possible? Is it not time now to set a framework and a programme for the complete withdrawal of all our forces from Iraq?

**The Prime Minister:** I agree with the right hon. and learned Gentleman about our obligations to our armed forces—I am pleased that he said that both at the beginning and the end of his remarks—but we also have obligations to the international community, and I would have thought that the Liberal party, with its Gladstonian inheritance, would recognise the obligations that we have internationally, particularly in relation to UN resolutions that have been passed, calling on us to support the democracy of the Iraqi people.

On the specific questions about interpreters, let me give the House the information. There are probably 200 who would immediately qualify as past staff members. There are 250 who are staff members at the moment. There may be others who will join that list once they have done a year's service. We will discharge our obligations that they will either gain help to go to a country of their choice or be able, in agreed circumstances, to come to the United Kingdom. We will provide the support that is necessary for that to happen.

On the right hon. and learned Gentleman's argument about force protection, I am acting—as are the Government—on military advice when I give the figures that I have given to the House today. If we are to move to the second stage of overwatch, which is primarily a role in respect of which we are giving training and support to the Iraqi security forces to operate in Basra with the police and armed forces themselves, then the figure that we have decided in consultation with our allies, and after taking military advice, is the figure of 2,500 that I am able to give the right hon. and learned Gentleman. That figure will be reached in spring next year, subject to military advice; then we will look again at the situation. But I want to dispel any suggestion that he makes that that number is insufficient for the force protection that we are talking about. The decisions that we make are made on military advice.

Sometimes, the right hon. and learned Gentleman criticises us for having too few forces; he then criticises us for having too many. The correct position is this: we owe obligations under the United Nations to the Iraqi community. We will discharge our obligations. The Iraqis will take responsibility for their own security, and we will support them in doing so. Despite our disagreements about the decision to go to war, I hope that he will support us in the support that we give to the Iraqi people.

**Frank Dobson** (Holborn and St. Pancras) (Lab): As one of the 139 Labour MPs who both spoke and voted against the invasion of Iraq, may I ask my right hon. Friend to bear in mind, when faced with carping criticism from the Tory party, that it was enthusiastically and overwhelmingly in favour of the invasion and never raised any quibbles at the time?

I also ask my right hon. Friend to bear in mind that everybody in this country welcomes the reductions that he announced last week and the further proposed reductions, and would welcome the announcement as soon as possible of the total withdrawal of British troops—wherever, however, and in whatever circumstances he decides to announce it.

**The Prime Minister:** We will discharge our obligations to the Iraqi people; I have to say to my right hon. Friend that that means that there will be no artificial timetable now for the final withdrawal of troops from Iraq. We will discharge our obligations during the two phases, but we will continue to review the numbers necessary to do so. I say to other parties in the House that if they have questions about the security situation at Basra airport, I shall be happy to offer them a briefing, on Privy Council terms, with our armed forces about both the numbers required and the jobs that will be done over the next few months.

I have to say to my right hon. Friend that there will be no artificial timetable. We shall continue to report to the House on what is necessary to discharge our obligations.

**Mr. James Arbuthnot** (North-East Hampshire) (Con): The Prime Minister will forgive me, but I do not think that we heard an answer to the question, posed by my right hon. Friend the Leader of the Opposition, about whether 270 of the troops whose withdrawal the Prime Minister announced last week had already returned home. Is that true?

**The Prime Minister:** I said that the figure on 1 September was 5,500 troops. It is now falling, after provincial Iraqi control, to 4,500. It then falls to 4,000, and then it will fall to 2,500. The idea that we are not reducing the numbers is completely—*[Interruption.]*

**Mr. Speaker:** Order. I want hon. Members to allow the Prime Minister to speak.

**Mr. Adam Ingram** (East Kilbride, Strathaven and Lesmahagow) (Lab): Will my right hon. Friend bear in mind that we were militarily engaged in Bosnia for 15 years, in Northern Ireland for 38 years and that we are still involved in Kosovo after eight years? Does he agree that after four difficult years in Iraq, we now have measurable and quantifiable success—not failure, as some people are trying to talk up?

**The Prime Minister:** I pay tribute to my right hon. Friend for what he did as Minister for the armed forces. We appreciate his work in meeting and discharging his responsibilities to our forces. I have nothing but praise for our armed forces, because the work that they have had to do is not simply in Iraq, but in Afghanistan, Kosovo, Ireland and the Falkland Islands. The work that has been done by our armed forces, at every stage, has been magnificent. It shows a professionalism, a commitment to duty and great courage. We are very proud of them.

**Sir Malcolm Rifkind** (Kensington and Chelsea) (Con): The Prime Minister seeks to equate himself with Mr. Gladstone—*[Interruption.]*

**Mr. Speaker:** Order. Let the right hon. and learned Gentleman speak.

**Sir Malcolm Rifkind:** Is the—*[Interruption.]*

**Mr. Speaker:** Order. Sir Malcolm Rifkind.

**Sir Malcolm Rifkind:** Is the Prime Minister aware that it was said of Mr. Gladstone that he could convince most people of most things and himself of almost anything? As the Prime Minister was the second most powerful member of Tony Blair's Government and one of the few people who could have stopped this country going to war, and as the result of not doing so there are more than 100,000 Iraqis dead and more than 2 million have fled their country, will he now accept his share of personal responsibility for what has been the greatest error in British foreign policy in recent times?

**The Prime Minister:** What I would say to the right hon. and learned Gentleman is that we are building a democracy in Iraq, free of Saddam Hussein. We are engaged now in political reconciliation and economic reconstruction. The situation I saw on the ground in Basra was one of a reduction in violence that makes it possible for provincial elections to be held and for economic reconstruction to yield results. I would hope that even if he disagreed with us on the decision to go to war, he would agree with us now that we must combine the political reconciliation we are pushing for, the economic reconstruction that we are financing and the security measures that I have announced to make it possible for the Iraqi democracy to play its full part in the region and the world.

**Mr. David Winnick** (Walsall, North) (Lab): Unlike some, I have never tried to hide the fact that I supported the measures that led to the destruction of the Saddam tyranny, and I am not in the process of apologising. However, does my right hon. Friend accept that it was never the intention that British troops in Iraq should stay indefinitely and therefore that there will be much welcome for a continued policy of the troops leaving Iraq at the most appropriate time?

**The Prime Minister:** The numbers that I have announced today make it clear that there were 45,000 UK troops at the time that Saddam Hussein fell and there will be 2,500 troops, subject to military advice, in the spring. That is a very substantial reduction in the numbers, but it is possible only because the Iraqis are now able to take responsibility for security themselves. I cannot emphasise enough that 30,000 people in the Iraqi security forces are being trained up in the police and the armed forces in the region. It is because there are 30,000 Iraqi security forces personnel in the southern parts of Iraq that it is possible for us to reduce our troop numbers. But I will not give my hon. Friend an artificial timetable that suggests that we can leave Iraq overnight. We will review the situation and discharge our responsibilities to the Iraqi people

**Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy) (PC): On behalf of Plaid Cymru and the Scottish National party, may I add my condolences to those previously expressed in the Chamber?

The latest invitee into the Prime Minister's big tent—one Alan Greenspan—recently said that he thought that the Iraq war was all about oil. When the Prime Minister discusses economics with Mr. Greenspan, will he discuss his opinion of the reason for the war in Iraq? Can the Prime Minister give a reasonable and reliable figure for the likely number of ex-Ministry of Defence Iraqi employees who might come to Britain to seek asylum in due course? Finally, the Prime Minister has frantically been trying to row away from the Blair project and the Blair war—frantically rowing away from the Blair mother ship, as it were. Will he really make a difference, and show why he is so different, by apologising to the British people for this debacle?

**The Prime Minister:** I am grateful for what the hon. Gentleman said at the beginning and for his condolences in relation to those who have died in Iraq. I know that the 2nd Battalion of the Royal Welsh are in Iraq at the moment. I think that I told the House the numbers of interpreters and other staff who would qualify under the scheme we have announced today. There are 200 who have already completed their work and 250 or so in situ. There are others who may qualify once they complete their work with us over a period of a year or more. Those are the kind of figures involved. They will either be people who will go to another country, with support from us, or, in agreed circumstances, come to the United Kingdom. Those are the figures that we are able to give at the moment. As far as the war itself is concerned, let us not forget the evil that Saddam Hussein did. Let us not forget also that we are building a democracy in Iraq. I can disagree with Dr. Greenspan as well. Our contribution must be to sustain a democracy in Iraq.

**Mr. Doug Henderson** (Newcastle upon Tyne, North) (Lab): May I say to my right hon. Friend that I am absolutely sure that his innovative proposals for civilian staff in Iraq will be much welcomed, not only in the House but by the military, who recognise the vital importance of having good links with local staff, in this intervention and perhaps in others? I have a constituent who was involved in international protection for an international statesman who was visiting Iraq, and his life was saved by two local Iraqi security men. Are they the kind of staff whom my right hon. Friend envisages might be given access to the United Kingdom, as my constituent has requested?

**The Prime Minister:** The persons I am talking about are mainly interpreters and translators who have worked for the British forces in Iraq—our direct employees, some of whom have finished their work but are vulnerable to attack, and some of whom are still working with us but do not meet the year's qualification, although they may do so at a later date. Those are the men and women who would qualify for the proposals that we are putting forward today.

**Mr. Kenneth Clarke** (Rushcliffe) (Con): Does the Prime Minister not accept that it is becoming almost impossible to see how the cause of democracy and development in Iraq can be served by the continuing presence of British troops? It is almost impossible to see how a rapidly reducing number can play any worthwhile part in overwatch, given the disorder in southern Iraq, and it is quite inconceivable that the Prime Minister will ever come to the House to suggest re-intervention, with a surge of troops or whatever, at any stage after today's statement. If the statement is intended as political cover for removing the troops from Iraq as quickly as possible, will he give an undertaking that the only consideration will be the safety and reputation of British forces, not domestic political pressures, either here or in the United States?

**The Prime Minister:** If the right hon. and learned Gentleman says that the British forces are serving no purpose, that is not the view of the Iraqi Government. The Iraqi Government want our support, and not only with respect to the supply routes that we manage at the moment and the re-intervention capability that we have. They want our support to train and mentor the Iraqi troops. We had a responsibility, which we are discharging, to train up 15,000 Iraqi armed forces, and we are helping with the training of Iraqi police. I met

many of the people who have come from the United Kingdom simply to train those forces when I was in Basra last week.

I do not agree with the right hon. and learned Gentleman that there is no purpose served by our presence. What our presence is designed to do is to make it possible for the Iraqis to take over security of their own country. I say this to him: look at the reduction in violence in Basra; look at the attempts that we can now make on economic reconstruction to give people a stake in the peace; look at the progress that has been made over these last few months. If that progress can continue, the Iraqis will not only be in a position to have their security forces in place to take over from ours, but will build, through local provincial elections, a local democracy that is capable of making decisions, based not on violence, but on people coming together to decide what is the common good. I am far from agreeing with the right hon. and learned Gentleman that our forces serve no purpose; our forces are doing an important job—an important job that will end up, I accept, as simply one of training and mentoring the forces of Iraq.

**Jeremy Corbyn** (Islington, North) (Lab): Does the Prime Minister accept that well over 500,000 Iraqi civilians have lost their lives since the invasion started, and that more than 2 million Iraqis have been forced into exile in neighbouring countries, or into internal exile in Iraq? What support is being given to them? What support is being offered to Syria and Jordan, so that they can look after those people? If the Prime Minister is proposing that employees of the British armed forces be allowed to enter this country as a place of safety, is he also prepared to say that those Iraqis who have sought asylum in this country will not now be deported to Iraq?

**The Prime Minister:** First of all, I do not accept my hon. Friend's figures. Secondly, the position of those who have served our armed forces, and put themselves at huge risk to do so while in the employment of our armed forces, is one that we ought to safeguard. Under the measures that I announced today, they will be able to apply for help outside Britain and will be able, in certain circumstances, either to go to another country with support from us, or to come to Britain. I accept that there are large numbers of Iraqis now outside Iraq, but one of the reasons why they are outside Iraq is that they need the security of a safe Iraq to come back to, and it is precisely for those reasons that we are building up the security forces of the Iraqis.

I think that it is often misunderstood that over the last year there has been a dramatic increase in the number of Iraqi security forces—both the armed forces and police—capable of managing their own security, and when the transfer of three provinces took place, it worked in a way that has been relatively calm. We believe that when we move to overwatch in Basra, there is a very good chance that we will have calmness as well, but we will work towards that, aiding the Iraqi security forces.

**Mr. Charles Kennedy** (Ross, Skye and Lochaber) (LD): Can the Prime Minister confirm his response to the question—which he will well recall—that I repeatedly asked of his predecessor in office, in those long months in the build-up to the war, and which he never answered? I asked whether there could or would be circumstances in which the Americans would go in without the benefit of the backing of a second United Nations resolution and the British would not. Is not the sad fact of the matter, as we all now know, that there were never circumstances in which an American intervention would not be accompanied by British back-up? As the principal bankroller of that Government policy over those years, does the right hon. Gentleman accept that that underlies all the difficulties that he is talking about this afternoon, and that it is our very presence in Iraq that is now the problem? Is it not an impossible wish, following a weekend in which he has been talking a lot about vision, for there to be a vision for a political settlement in Iraq because of the very circumstances to which our presence has contributed?

**The Prime Minister:** I disagree with the right hon. Gentleman entirely. We tried very hard for a second UN resolution. We worked very hard to achieve it, and unfortunately did not. Intervention in Iraq is now covered by a UN resolution. He should accept that the UN resolution is about our presence supporting the security, democracy and prosperity of the Iraqi people and, in my view, there will be a further UN resolution in the next few months. Instead of arguing about the causes, perhaps we could come together to support the democracy of the Iraqi people and to ensure that they have the security to run their own affairs and the economic reconstruction necessary for a stake in their future. I believe that that should be common ground among all of us in the House.

**Mr. Don Touhig** (Islwyn) (Lab/Co-op): I believe that the men and women of the British armed forces, their families and the British people will welcome my right hon. Friend's statement today. Is it not a fact that we are able to withdraw troops from Basra because of the success and professionalism of the British armed forces? Does my right hon. Friend agree that hon. Members on both sides of the House should be celebrating this announcement, rather than seeking to engage in party political posturing from the comfort of these Benches while the men and women of our armed forces are putting their lives on the line?

**The Prime Minister:** I agree with my right hon. Friend and I thank him for the work that he did as defence Minister and as veterans Minister. Over time, people will come to realise that the draw-down of British troops in Iraq is possible because the security situation has improved, and it is only because we have those 30,000 security forces being trained up that it is possible to make this announcement today. Over the past month, we have proved that, as a result of the transfer from Basra palace to Basra airport, the security situation in Basra has improved, and I hope that there will be a general acknowledgement that, as the security potential of the Iraqi forces improves, it will be possible for the numbers of our troops to fall.

**Sir Patrick Cormack** (South Staffordshire) (Con): As the Prime Minister is taking and listening carefully to military advice, will he assure the House that, as our troops return—whether temporarily or permanently—they are properly welcomed, properly recognised and properly housed?

**The Prime Minister:** I agree with the hon. Gentleman. This is where we must make progress over the next few years. We have set aside £5 billion over the next 10 years for accommodation for our forces. That money will upgrade the existing single-person accommodation and help young families with someone serving in the forces to buy their own homes. The hon. Gentleman rightly draws attention to the housing situation, and much more needs to be done. That is why we have set aside in the public spending review £5 billion over the next 10 years, and I assure him that the welfare of our troops is our first consideration.

**Ms Gisela Stuart** (Birmingham, Edgbaston) (Lab): I appreciate the Prime Minister's caution in carefully describing the circumstances under which we will support those who worked for us in Iraq and also the interpreters. However, may I urge him to be generous and positive in the interpretation of those rules so that we do not end up with people feeling that they have been let down by this country?

**The Prime Minister:** There will be a statement later this week about the details of the scheme. If my hon. Friend has any particular points that she would like to raise, she would be very welcome to talk to Ministers about them. We have to deal with the people for whom we have a direct responsibility—interpreters and translators, people working in the employment of the British armed forces. That is what the scheme is essentially about, but if my hon. Friend has any particular representations to make, we will be happy to listen to them.

**Mr. Nicholas Soames** (Mid-Sussex) (Con): I agree with the Prime Minister that valuable work remains to be done for British troops in Iraq, but will he clarify his answer to my right hon. Friend the Leader the Opposition about what reserves will be available to the commander of overwatch troops in the later phases of this operation? Secondly, will he compare and contrast his own slippery manoeuvrings of the last weekend with the courage, steadiness and resolution of British troops on the ground in Iraq?

**The Prime Minister:** Like the hon. Gentleman, I praise the resolution, determination and courage of our British troops in Iraq. We will talk to our allies in detail about the next stage of overwatch. We have forces outside the border of Iraq as well, but the principal intention of moving to the next stage is to enable us to be the trainers and mentors of the Iraqi security forces who are taking responsibility for problems themselves.

**Mr. Edward O'Hara** (Knowsley, South) (Lab): Speaking as one of those who did not support the intervention in Iraq, I nevertheless congratulate the Prime Minister on the responsibility of his statement today. While we are talking about responsibility, does he agree that in respect of our obligations to the Iraqis and the international community, the people who would be let down most if we cut and run prematurely from Iraq would be those very British forces whose courage and professionalism has brought about the achievements that my right hon. Friend described, of which we can be so proud?

**The Prime Minister:** I met British forces in Basra who are proud of what they have achieved and I am proud of them. I am proud of what they have achieved in defending people in Basra itself, proud of what they have achieved in all the other provinces and also proud that they are training up the Iraqi security forces to do the work themselves. Although my hon. Friend disagreed with me about the origins of the war, I am glad that he has come to the view that it is necessary, in supporting both our troops and the Iraqi people, to take decisions in the measured way that we are doing by setting out the different stages through which we will draw down our forces.

**Ann Winterton** (Congleton) (Con): I very much welcome the Prime Minister's announcement about the extra 140 Mastiff vehicles, which will be exceptionally welcome to our troops in both Iraq and Afghanistan. Will he confirm that the cost will be borne by the Treasury and will not come out of the Army budget? In addition, will he ensure that any necessary medium-protected patrol vehicles—they are greatly needed, particularly in Iraq—will be provided and that modern doctrine will be overturned so that those vehicles that are procured will be designed to ensure maximum protection for our troops? I am talking about V-shaped hull vehicles.

**The Prime Minister:** As the Defence Secretary has pointed out to me, we are looking into those smaller vehicles to which the hon. Lady has drawn our attention, as there are important issues about security and safety. As for her more general question, the £120 million that we are spending is covered by the defence settlement. Where there are urgent requirements, we are prepared to meet them and we have spent several hundred millions in the last few months and years in meeting those requirements of our troops.

**Anne Snelgrove** (South Swindon) (Lab): My constituents will very much welcome my right hon. Friend's announcement of troop reductions, but does he agree that that is not only the right policy for this country, but demonstrates that the policy of political reconciliation, economic development and the Iraqi people taking responsibility for their own security is now working?

**The Prime Minister:** I hope that there will be general recognition in the whole House that, whatever the disagreements on Iraq and whatever the views on the slowness with which economic reconstruction has taken place, there is a unique opportunity now, as the security situation improves in the Basra province, for the work of economic reconstruction to give people a new means by which they can have a stake in the future.

What I would like to see over these next few months—I think we will see it, if we can bring the parties together—is the security situation improving as, at the same time, we invest in Iraq and in the Basra province, I hope with British businesses involved, as well as businesses from other countries, so that we can end the very high unemployment in that area and make people see that prosperity can go side by side with peace.

**Mr. Keith Simpson** (Mid-Norfolk) (Con): Was the Prime Minister's statement in Iraq that 1,000 British troops were to be withdrawn agreed with the Secretary of State for Defence and provided by information from him?

**The Prime Minister:** These are all agreed figures: 5,500 to 4,500 to 4,000 to 2,500. I really do not understand. If we are reducing the number of troops to 2,500, that is a reduction, and that is the reduction that I am announcing today.

**Andrew Mackinlay** (Thurrock) (Lab): I do not think that the Prime Minister has answered the point about the border between Iran and Iraq. What assurances can he give about our capacity and that of the coalition forces to impede the bringing in of weapons and destructive explosives, which hit both Iraqis and coalition forces, bearing it in mind that his own Secretary of State for Defence said that so much that has been hurled against British troops in Iraq and in Afghanistan has its provenance—that is the word he used—in Iran? We are too nice to Iran, frankly—too diplomatically nice. I want to hear a more robust response.

**The Prime Minister:** Let me remind my hon. Friend that in my statement I made it absolutely clear that we call on the Iranians to stop people coming across the border, to stop weapons coming across the border and to stop the support of terrorists who are coming across the border. As for the policing of the border, there has been some success as a result of the work of the coalition troops, and we will continue to see the coalition troops police that border.

**Sir Peter Tapsell** (Louth and Horncastle) (Con): May I put again to the Prime Minister the question asked by my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind): why did the Prime Minister not support Robin Cook from the start, when he opposed the atrociously foolish policy of invading and occupying Iraq, from which the Prime Minister is now struggling to extricate us, almost certainly leaving chaos behind?

**The Prime Minister:** We now have a democracy in Iraq, which we did not have before. We have the people of Iraq voting for a new constitution and in elections for representatives. I think that the task ahead—I hope the hon. Gentleman agrees with it, despite our disagreements on the war—is to support that democracy, to enable it to take over its own security, to build political reconciliation in that country and to have an economy that gives people a stake in its future. If that were the case, it would make a huge and significant difference to what happens in the rest of the middle east and the Arab states.

**Colin Challen** (Morley and Rothwell) (Lab): As we withdraw our troops from Iraq—I look forward to the complete withdrawal of all our troops—can we invest more in rebuilding Iraq and attracting back the many hundreds of thousands of professionals who have become part of the Iraqi diaspora, namely, the engineers, the teachers and others who are desperately needed to rebuild that benighted country?

**The Prime Minister:** It was precisely those matters that I was discussing last week with the Economic Ministers in Iraq—how, through encouraging new investment in the infrastructure and then through getting business development, particularly in the Basra area, which is potentially very rich, we can attract people back to Iraq and give Iraqi people a stake in the future. I say to my hon. Friend that the next stage, where we will be under test because we have to show that it will work, is to get the economic reconstruction process moving forward and show that we can bring prosperity to that area of the world.

**Willie Rennie** (Dunfermline and West Fife) (LD): When the Defence Committee visited Basra in July, we found that 90 per cent. of attacks were on our forces. Is not the logical position that we should withdraw our troops, as our withdrawal from Basra palace has led to significantly fewer attacks in the area? We are therefore part of the problem, not part of the solution.

**The Prime Minister:** I have to say that it was before our troops withdrew from Basra palace that the security situation in that area became a great deal calmer. Because we are training up the Iraqi security forces, they are in a position to police and provide security to that area. Far from moving quickly out of Iraq helping the Iraqi security forces, our presence to train and mentor them is an important element in bringing about a calm, or calmer, security situation. On the basis of that calmer security situation, we can build a better future for the Iraqi people.

**Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): I welcome the conditions-based approach, about which the Prime Minister has told us, on draw-down of troops, which will hopefully mean many more coming back to communities such as Plymouth. Does he associate himself with the calls made over the summer by General Dannatt and others not only for the Government, families and fellow service people to welcome our armed forces back, but for businesses and communities to do more to mark and recognise their service than they do at present?

**The Prime Minister:** I thank my hon. Friend for the work that she does in her constituency on exactly that. I want us to recognise the contribution made by our armed forces more than we have done, and to support the families of our armed forces when they are abroad, in combat and in the firing line. I also hope to be able to announce new measures to help those who have been injured fighting for our country with compensation schemes that are more generous than they have been in the past.

**Mr. Ian Taylor** (Esher and Walton) (Con): The Prime Minister mentioned in his statement that the stability of the Iraq that our troops will leave behind depends very much on the behaviour of Iraq's neighbours. Will he update the House on what recent connections, or at least correspondence, there have been with Syria? Will he also comment on the story in the papers that he has entered some agreement with the American President about treatment of Iran if it continues to threaten global stability?

**The Prime Minister:** There is no truth in that statement attributed to me in the papers at the weekend. As far as Syria is concerned, we continue to press it to play a far more positive role, to end support for terrorists in Lebanon, and to play a constructive role in the middle east peace process. Those matters are common ground on both sides of the House.

## Foot and Mouth/Bluetongue

4.32 pm

**The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn):** With permission, Mr. Speaker, I should like to make a statement on this summer's outbreak of foot and mouth disease and on bluetongue.

On 3 August, foot and mouth disease was confirmed in Surrey. In line with the contingency plan, control measures, including a national ban on the movement of susceptible animals, were put in place immediately. The following day the strain of virus was confirmed as 01-BFS-67. As this strain was not currently circulating in animals, that pointed to the Pirbright laboratory site as a potential source. I therefore commissioned the Health and Safety Executive to investigate and Professor Brian Spratt to lead a team of experts in a review of biosecurity arrangements. I am today placing in the Library a copy of those two reports, along with all the Department for Environment, Food and Rural Affairs epidemiology reports.

It cannot be said with complete certainty exactly how the virus escaped from the Pirbright site. The reports concluded, however, that the most likely explanation was accidental release from the drainage system. Whatever the route of escape, it should not have happened and we are determined that it will not happen again. I have accepted all the recommendations in the reports from the HSE and Professor Spratt, and have set up a review of the regulatory framework for handling animal pathogens led by Sir Bill Callaghan.

A rigorous improvement plan has been developed for the Pirbright site, to be implemented before full operations with live viruses can recommence. A review, led by the Biotechnology and Biological Sciences Research Council, will assess the funding, governance and risk management at the Institute for Animal Health. In addition, a safety alert was issued to all animal pathogen category 3 and 4 laboratories, which will be followed by a round of inspections.

Epidemiological surveillance indicated that it was highly unlikely that the virus had spread outside the Surrey area. Therefore, given that the surveillance went beyond the EU requirement, that the 30-day minimum time had elapsed and that no further cases had been identified, the protection and surveillance zones were lifted on 8 September. Unfortunately, as we now know, there was undetected infection outside the surveillance zone. On 12 September, foot and mouth disease was confirmed in a third case in Surrey and controls were reimposed. There have now been eight infected premises in total.

On 25 September, given that the disease was confined to Surrey, we created two foot and mouth disease areas in Great Britain: a temporary risk area in the south-east and a lower-risk area in the rest of the country, where certain movements were permitted under licence. Markets reopened in the low-risk area last Thursday. On a visit to Skipton market, I saw the difference that that will make to the farming industry. The EU has now confirmed that the export of meat can resume from this Friday from Scotland, Wales and the north and south-west of England. We will continue to work with the Commission to increase the areas from which exports can be made.

Working in partnership with the farming community has been an integral part of our approach to responding to the outbreak. I have listened to the views of the industry about what further steps can be taken to alleviate real economic and welfare pressures. Because the outbreak has arisen from an unusual set of circumstances, I am announcing today a package of assistance for the English livestock sector amounting to £12.5 million. The devolved Administrations are proposing to introduce their own schemes.

Subject to the EU state aid rules, I intend to make the following available to the farmers most affected: first, £8.5 million of assistance to hill farmers, who have been particularly hard hit. This one-off payment will be paid directly to them, using the system already in place for the hill farm allowance, and will be equivalent to just over 30 per cent. of their 2007 payment. I intend to make available an increase in the level of subsidy for the fallen stock scheme for farmers in the foot and mouth disease risk area, from 10 to 100 per cent. The increase will not only apply to existing members of the scheme, but will be available to all livestock keepers in the risk area. It will apply to stock that has had to be killed on farm for welfare or other reasons. I anticipate the cost to be less than £1 million.

I also intend to make available an additional contribution of up to £1 million to the Arthur Rank centre for disbursement to farming charities, which focus on providing advice and practical and emotional support to farming families, and £2 million for the promotion and marketing of lamb, beef and pork, both domestically and in our export markets. The public sector is a major purchaser of meat, and I am asking ministerial colleagues to increase the opportunities for small and local producers to tender for its business.

We are also determined to do as much as possible to reduce the burden of red tape on farmers at this difficult time. Therefore, I have agreed a delay, from 5 January 2008 to the end of April, in enforcing the requirement for livestock hauliers to have a certificate of competence for non-export journeys of more than 65 km. I have agreed to seek a derogation from the Commission for grassland farmers to apply above the annual nitrogen application limit of 170 kg per hectare, which is one of the requirements for farmers in nitrate-vulnerable zones. I have also agreed a one-month extension, until 13 December, to the closing date of the current consultation on the implementation of the nitrates directive.

I should also point out that Natural England and the Rural Payments Agency are not enforcing certain cross-compliance requirements for agri-environment schemes and the single farm payment where breaches of those requirements are caused directly by restrictions relating to foot and mouth or bluetongue. The Secretary of State for Transport announced last week that to assist movement of the backlog of animals, the rules governing drivers' hours for livestock hauliers would be relaxed for a limited period as markets reopened.

I also welcome the European Union's decision on 3 October to raise the age at which vertebral column of cattle is considered specified risk material from 24 to 30 months, which will facilitate the sale by butchers of

beef from animals in that age bracket. The decision is subject to a three-month scrutiny by the European Parliament, and in the meantime the Food Standards Agency will undertake a public consultation.

As if an outbreak of foot and mouth were not enough, on 22 September the first case of bluetongue was found in East Anglia. Bluetongue is very different from foot and mouth disease. It is spread by midges rather than from animal to animal, and we cannot stamp it out by slaughtering infected animals. However, the cases that we have seen so far are in a limited geographical area, and seem to result from midges being carried over the North sea on the wind. As it happened in August, when movement controls were in place because of foot and mouth disease, that may help to control the spread.

By 28 September, the increase in the number of cases indicated that the disease was circulating in our midge population, and we confirmed the presence of bluetongue in Great Britain. The bluetongue temporary area was therefore replaced by a control zone and a protection zone.

A clear understanding of the spread of the disease is now crucial to help the industry, with the support of Government, to anticipate what may happen and what the appropriate response should be. That requires farmers in the zones to be vigilant and, for the sake of their industry, to report all new cases so that we can monitor whether spread is occurring. We will keep that approach under review with the industry, not least because the effects of bluetongue movement controls mean that decisions on control should be taken by the industry and not just by Ministers.

This has been an exceptionally difficult summer for the farming industry. I know from talking to many farmers and their representatives just how hard and distressing it has been and still is, and I am grateful to the industry for its forbearance and support. I also want to thank all those from DEFRA, the Institute for Animal Health and other organisations whose professionalism, dedication and commitment have helped us to deal with these outbreaks. I am sure that the House will wish to express its thanks as well.

I will, of course, keep the House informed of developments.

**Mr. Peter Ainsworth** (East Surrey) (Con): I thank the Secretary of State for his statement and welcome the relief package that he has announced, although it will go nowhere near meeting the huge economic cost of foot and mouth to the farming and related industries. As the Secretary of State said, this has been a terrible year for the farming community: between them, bluetongue and foot and mouth have effectively closed down the livestock industry over huge areas of countryside at the busiest time of the year. That has caused economic hardship, but we should not underestimate the emotional hardship that it is causing in rural communities, the impact on animal welfare, or the blow to the reputation of farming and the integrity of our scientific establishment.

Will the Secretary of State confirm that, by a cruel twist of irony, work on a vaccine to protect against bluetongue has been put on hold because it was taking place at Pirbright, the source of the foot and mouth outbreak? When does he now expect a bluetongue vaccine to be available?

Bluetongue may be a misfortune but foot and mouth disease is different. The Government have been caught red-handed and are damned by their negligence. We know that the source of the outbreak was a Government-regulated and licensed laboratory. We also know from Professor Spratt's report that the most likely cause of the infection was leaking drains. The Secretary of State has attempted to maintain that foot and mouth escaped from Pirbright through an extraordinary combination of circumstances, but the really extraordinary thing was the state of the drains at Pirbright.

The Government's initial reaction to the outbreak was, I am afraid, characteristic. The Prime Minister announced that he was taking personal charge and immediately sent his spin machine into overdrive in an attempt to pin the blame on Merial, the private company at the site. That was shabby and dishonest and it smacked of desperation. The reason for the Prime Minister's desperation to find a scapegoat has since become clear. As long ago as 2002, the Biotechnology and Biological Sciences Research Council stated in an official report:

> "Some laboratories and other areas of the Pirbright estate are not close to the standard expected of a modern bio-medical facility and are well below that expected of a facility of such importance".

It recommended awarding funding for biosecurity at the site. What was the reaction from the then Chancellor? In the following two years, funding from DEFRA and other Government Departments to the Institute for Animal Health was cut.

It gets worse. In July 2004, Merial wrote to DEFRA with proposals to replace the drains. Nothing happened for two years. Tenders for repairing the drainage systems were finally received in October 2006. Why did it take so long to obtain those tenders? Why did work not start until July this year? Why were repairs to the drainage system not prioritised? Is it not clear that if the Government had acted in a timely way on the repeated warnings about the integrity of the effluent pipes at Pirbright, the farming industry would not be facing a bill for hundreds of millions of pounds, and the reputation of British science would not have been dealt a body blow?

Will the Secretary of State confirm that among the dangerous pathogens held at the Pirbright laboratories are viruses lethal to humans, such as E. coli, BSE and avian flu? Is it purely a matter of chance that it was the foot and mouth virus which escaped from Pirbright and not some more deadly disease?

Does the Secretary of State accept that the Government's failure to secure the laboratories at Pirbright amounts to gross negligence? What provision has been made for compensating the farming community for the costs that it is suffering as a result of the Government's negligence?

The Pirbright site was last inspected in December last year. What were the findings of that inspection? Why was the licence to operate not withdrawn? Can the Secretary of State confirm that if a dairy farm had been found to have such poor biosecurity, it would have been closed down?

*[Mr. Peter Ainsworth]*

The Secretary of State states that a safety alert has been issued to all animal pathogen category 3 and 4 laboratories, which will be followed by inspections. On the basis of the inspection regime at Pirbright, what confidence can we have that they will be thorough and that any recommendations will be acted upon?

I represent a Surrey constituency. I know how traumatic this whole affair has been for Surrey farmers and others in the immediate area, but I have also recently met with hill farmers in Wales. They too are deeply concerned about the viability of their businesses, about the welfare of their animals and about their own families and future. The same is true across the country. People want to know exactly how this disease got into the environment, yet that is the one question that the Government refuse to investigate further. How very convenient.

How many people have been disciplined or removed from their posts as a result of this catalogue of negligence? Who is going to take responsibility? Will the Secretary of State take this opportunity to apologise? Can we not conclude that if this is what happens when the Prime Minister takes personal charge of a crisis, he is better off out of it and that, if the Labour Government cannot be trusted to deal with the foot and mouth virus, they cannot be trusted with anything?

**Hilary Benn:** I have to tell the hon. Gentleman that his conduct during the summer, when we spoke on a number of occasions about the matter, has not been matched by the tone of the points he has made today. I will respond directly to the legitimate questions that he has raised.

**Mr. Graham Stuart** (Beverley and Holderness) (Con): Answer all the questions.

**Hilary Benn:** I will.

I recognise the emotional hardship that this has caused. It is a real blow for the farming industry—I know that from the conversations that I have had with farmers—and people are genuinely worried about the future. I know that some people are angry, too; I acknowledge that completely. What is the best way to help the farming industry to recover from these two blows? The first is to make sure that we make every effort to control the spread of these diseases and to eradicate them. Sixty-six days on from the first outbreak of foot and mouth, we have eight cases, all confined to Surrey. The whole House will wish to keep it that way. Our first line of defence in beating both of these diseases is the vigilance of farmers. I am genuinely grateful to the farming community for the efforts that it has made in that—

**Mr. Stuart**: What about the drains at Pirbright?

**Hilary Benn:** I shall come to the drains in a moment, if the hon. Gentleman will bear with me.

A vaccine for bluetongue may, we hope, become available next year. It depends on the speed with which those who are working on a vaccine can develop one, the speed with which it can be shown to be safe and effective, and the speed with which sufficient supplies of it can be manufactured so that all farmers—not just those in East Anglia but those in northern Europe who have been affected by bluetongue as it has spread across the continent—can have it available.

The hon. Member for East Surrey (Mr. Ainsworth) Surrey said that the Government refuse to investigate how exactly the virus got out. With respect, that is not the case. As soon as it became clear that the likely source of the outbreak was Pirbright—we knew what the strain was and that it was not currently circulating in animals—what were the first two things that the Government did? One was to ask the HSE to come in and investigate and the second was to ask Professor Brian Spratt to come in and look at biosecurity, with a commitment to publish in full their reports, which we did on 7 September. With great respect, to advance the argument that the Government have not been interested in trying to find out what happened does not bear examination when the hon. Gentleman looks at the facts.

What do those reports say? They say that it was most likely to have been caused by—they cannot say for sure—an inactivated virus going into the drainpipe, the condition of the drains, the heavy rain and the flooding that brought it to the surface, and the movement of vehicles. Why were there vehicles on the site at Pirbright? They were on the site because, as the hon. Gentleman knows, we are in the process of investing a considerable sum of money in upgrading the facilities. The answer to his question is that, in 2002 and 2003, reports were produced. In 2005, the Government decided that we would invest £121 million—*[Interruption.]* I will come to that point in a moment. One of the two reviews that I have established in the light of the reports will look into that fair point.

Why were there vehicles on the site? It is because work is under way to spend the money on renewing the facilities at Pirbright. Some £31 million of that money has already been spent on the site. It is a very fair question to ask and I have asked it too: if people thought that the drains were that much of a problem, why was some of that money not spent? The answer was that until the state of the drains was drawn to our attention, and everybody else's, as a result of the HSE investigation, nobody thought that they were in such a condition. That happens to be the truth.

The next question relates to the inspection and licensing regime. I have asked Sir Bill Callaghan to look at the way in which we license, regulate and inspect institutions handling category 3 and 4 pathogens. Frankly, it is not a good system—reflecting upon it now—to have an organisation that is a significant customer of an institution also the licensor and regulator. That is something for Sir Bill Callaghan to reflect on when he reports back to me by December. My view, subject to his advice, is that we need to have a different system in future. We have taken seriously what happened: not only have we put a mechanism in place for looking at what should happen to the licensing of the handling of animal pathogens, but we have issued a notice to all institutions handling category 3 and 4 pathogens affecting human beings as well as animals. The review will look at that, as will the second review overseen by the BBSRC; it has responsibility for the Institute for Animal Health, and it will look at the management and governance of that body.

On compensation, I have made an announcement about support. We can best support the farming industry to recover from this very difficult time by controlling the disease, winning the confidence of Europe and reopening farm-to-farm movements. We must also reopen markets, which we have done: despite the difficult history, last week we got an agreement from the EU that meat product exports will resume. All the farmers I have spoken to have said that the single most important step that can be taken is the resumption of meat product exports, and we are determined to help make that happen, but it depends on persuading our European colleagues.

Finally, am I sorry that this has happened? I have already said that I am. Nobody would have wished this to happen, and I repeat that it should not have happened. But when something like this goes wrong—as it has—what is the most important thing that we should do? We should learn the lessons, sort it out and make sure that it does not happen again.

**Mr. Eric Martlew** (Carlisle) (Lab): It was very interesting that the Secretary of State mentioned the vaccine for bluetongue. As he is aware, Cumbria was in the middle of the 2001 foot and mouth outbreak, which was a major outbreak. There was a lot of debate at that time about vaccination. That was rejected then, and it appears that vaccination has been rejected once more. Will the Secretary of State tell me why it has been rejected and under what circumstances we will use vaccine in the future?

**Hilary Benn:** The contingency plan for foot and mouth stated that we would consider whether vaccination had a part to play in helping us to control the disease after the first measures were taken, such as the use of protection and surveillance zones and the culling of infected animals and of dangerous contacts. Extensive surveillance has been undertaken by the vets and the staff of the Institute for Animal Health—and I know that some Members present have met some of the teams that have been working so hard since the beginning of the outbreak to make sure that we have the necessary information to discover whether the approach we are taking will work. On both occasions—the first and second parts of the outbreak—we stood up vaccination capacity and made an order for vaccines, but in both cases we have decided that the measures we have taken appear to have contained the outbreak: there have been eight cases in Surrey 66 days on. If we were to reach a point where we thought that vaccination was necessary to help us control the spread of an outbreak, I would be willing to consider it, but that has not so far proved necessary.

**Chris Huhne** (Eastleigh) (LD): The source of this outbreak of foot and mouth was the Pirbright laboratory, which is regulated, monitored and licensed by the Department for Environment, Food and Rural Affairs. In short, a facility designed to protect British farming from infection was responsible, to quote from the DEFRA report, "beyond reasonable doubt"—which is, after all, the test in a criminal case—for the infection, and DEFRA was in turn responsible for its biosecurity and safety. Do the Government now accept that they have a legal obligation, and certainly a moral one, to compensate those whose businesses have been damaged by the outbreak, and what is the Government's estimate of the losses to British farming?

What is suggested for hill farmers is welcome, but it does not go far enough. Also, what support does the Secretary of State propose to give to lowland farmers across England? What about farms within the control zones? Why has a similar scheme to that proposed in Scotland and Wales, giving a minimum price per animal, not been proposed in England? English farmers are on the brink, too, and DEFRA's incompetence has put them there.

The second key point is that the Secretary of State must end the culture of impunity in his Department. We saw that with the fiasco over the Rural Payments Agency, and we now see it again with the Pirbright scandal. How long did it take the Department to establish biosecurity at Pirbright once the foot and mouth outbreak had occurred? When was the Secretary of State satisfied that there was no further risk of a leak of dangerous virus from Pirbright?

We know that specifically the drainage system—not merely the general state of Pirbright—was a subject of concern from correspondence from July 2004, so DEFRA had known about the health and safety issues at Pirbright and Compton for at least three years. Who was the most senior official, or Minister, to be informed of the problems with the drains at Pirbright? Why was work on dangerous pathogens not stopped as a result of these concerns? Will those responsible now be held to account, and will they resign? Will the Secretary of State name the official responsible for the licensing of Pirbright, and state whether that official is still in post? If they are—if they are not held to account—what encouragement does the Secretary of State think that that gives to anyone else in his Department to perform creditably in future?

So far, the reports from the Health and Safety Executive and Professor Spratt have given us a snapshot of the problem, but not an analysis of the organisational failings. Will the Secretary of State set up a public inquiry into how this débacle could have happened—an inquiry that will make recommendations to ensure that it never happens again?

**Hilary Benn:** On the question of legal obligations, in the end, that is a matter for the courts to determine. We are aware that some of those affected by this outbreak are consulting lawyers, so it is only right and proper that we should await any proceedings that anyone may choose to bring in those circumstances.

Secondly, the best help that we can give to those in the lowlands is to do what we have been doing: to try to get economic activity restarted. The single most important thing that we can do is to allow farmers to trade again, which is why so much effort has been devoted to that, and why we divided the country into a risk area and a low-risk area, regionalising the country in order to try to allow farm-to-farm movements and the resumption of markets as quickly as possible. In effect, we put a bigger buffer zone around the protection and surveillance zones in Surrey—Europe said that it wanted to add an extra buffer, which is why other counties have been brought in—thereby enabling a decision to be taken on the resumption of meat product exports. I hope that before long, the matter is in the hands of the Commission and of the Standing Committee on the Food Chain and Animal Health, not

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me, and that the size of that buffer zone can be reduced, so that more farmers in more counties can benefit from the steps that have taken place.

Why have we not introduced a welfare disposal scheme? One reason is that I have not received representations from the National Farmers Union and others saying that that is the single most important thing that we should do in England. I recognise that the situation is different in Scotland and Wales, which is why they are proceeding with such schemes. Indeed, the farmers' leaders whom I have spoken to have stressed the importance of getting economic activity started again.

With respect, I reject what the hon. Gentleman says about a culture of impunity within DEFRA. There is a very important point that he needs to bear in mind, particularly in relation to the drains. DEFRA's role is as licensor and regulator. The consultation that took place with it, as licensor and regulator, was about whether, if the drains were changed, a new system would be adequate for the purposes of licensing and regulation. DEFRA was not at any time asked for funding to replace the drains. Why not? It is for the very simple reason that it is the licensor and the regulator. A factory that had a problem that the HSE identified would not say to it, "By the way, you are the licensor and regulator—can we have some money to put it right?" The proper place to go is of course the Biotechnology and Biological Sciences Research Council, which is the organisation responsible.

The second point concerns what I said to the hon. Member for East Surrey (Mr. Ainsworth), who speaks for the official Opposition, about the considerable amount of money that has been put into this site already. I share with him the question as to why, if it was so important, some of that money was not directed to it. The answer is that people did not think that it was as important as it turned out to be. That is the truth.

Will there be a public inquiry? No, there will not. What am I doing in addition to the two inquiries that I set up immediately we discovered the likely source of the virus? In addition to those two inquiries and the reviews by Bill Callaghan and the BBSRC, we have asked Iain Anderson, who reported on the 2001 outbreak and therefore appears to be the most appropriate person to do it, to reflect on how this outbreak has been handled. He can look into all the matters that he wants to and then he will report back to us. The report will also be published.

In other words, there will have been two inquiries, two reviews and another inquiry led by Iain Anderson. I hope that the House will agree that that shows that the Government take their responsibility seriously. I know that the hon. Gentleman is keen to point fingers at individuals; I am much more interested in putting things right.

**Mr. Russell Brown** (Dumfries and Galloway) (Lab): Had it not been for the fact that a third outbreak was detected on 12 September, we would have been much more advanced than we are today, and perhaps many would not have felt their plight so severely. When my right hon. Friend mentioned that case, he spoke of undetected infection. Is he able to tell the House how long that undetected infection had lain there before it was picked up by anyone at all?

**Hilary Benn:** Yes. The epidemiological report that was published suggested that the lesions in the animals at infected premises 5 could have been three or possibly four weeks old. That gives us part of the answer to the question that we all asked on 12 September—where has the virus been for a month and a bit? The answer was that it had been outside the original protection and surveillance zone, undetected and, as a result, unreported. That reinforces the point that inspection is the first line of defence and it fills in a gap in the timeline. That is what has transpired, and I am not interested in pointing a finger at anyone else in relation to this issue; as I said to the hon. Member for Eastleigh (Chris Huhne), I want to fix it.

**Mr. Humfrey Malins** (Woking) (Con): In paying tribute to the fortitude of the farmers, the smallholders and the villagers of Normandy in my constituency, where the foot and mouth outbreak began, and of Pirbright, the home of the two much respected organisations of the animal health institute and Merial, may I also thank the Secretary of State and the Under-Secretary of State for Environment, Food and Rural Affairs (Jonathan Shaw) for their kindness in keeping in touch with me so regularly as constituency MP during the crisis? It was much appreciated.

Can the Secretary of State guarantee that the problem has been resolved, as far as Surrey is concerned? Can he guarantee that the investment in the institute at Pirbright will continue and improve over the next few years? Finally, can he be specific about the compensation that he has in mind and how it can be obtained by local farmers and smallholders in the Surrey area?

**Hilary Benn:** I am grateful to the hon. Gentleman for his kind words and his support and interest during what has been a very difficult time for his constituents. In truth, I cannot guarantee that it is over. I can simply tell the House that, 66 days in and after eight cases, there has not been one for a week. I am sure that the House will understand if we say that in the light of the experience that we have all been through this summer, I am inclined to be a bit cautious about trying to predict the future, but I am working as hard as I can to try to safeguard the present.

I can give the hon. Gentleman the assurance that the investment that the Government had previously announced—and that has already started to go into Pirbright—will continue. It is important that we have first-class facilities. Old is not necessarily unsafe, which is the point that Professor Brian Spratt made in his report. The hon. Gentleman is right to draw attention to the vital role that Pirbright plays in protecting us from animal disease more generally and the role that it has played in turning round test results really quickly, which has enabled us to take quick decisions about how to deal with it in the circumstances.

On compensation, we have of course compensated all the farmers who lost animals through culling and we paid for primary and secondary disinfection in all the infected premises, but if farmers wish to pursue further compensation cases, I refer the House to the answer I gave a little earlier.

**Geraldine Smith** (Morecambe and Lunesdale) (Lab): I am pleased that the Secretary of State has listened to farmers and done something about the terrible plight

that they face this year. The outbreak happened at the worst possible time of the year for hill farmers and when I talk to farmers in the Lune valley they point out many of the same concerns that the Secretary of State has raised. The resumption of exports was extremely important to them, as was an aid package for hill farmers. Can my right hon. Friend assure me that the aid package will be paid quickly, and can he give me some idea of the time scales, because cash flow is important to farmers?

**Hilary Benn:** I hope that the payments will be made by the beginning of November and, like my hon. Friend, I am anxious that that should happen as quickly as possible. The outbreak did indeed happen at the worst possible time, especially for hill farmers, which is why I have announced the package of support today. Hill farmers—some of whom I met on Thursday—have bills to be paid and decisions to make about when to take their animals to market to sell them, so the support will give farmers slightly more opportunity to see how the market unfolds and take decisions about what is best in the circumstances. At Skipton market on Thursday it was heartening to see that although prices were down they were slightly better than some farmers had feared. I hope that remains the case.

**Mr. Philip Hammond** (Runnymede and Weybridge) (Con): Quite rightly, the focus of attention today has been on the economic damage to the livestock farming industry and the terrible trauma suffered by some of my constituents and those of my hon. Friends who have been directly affected by the outbreak of foot and mouth disease, but as the Secretary of State knows, the area affected is not primarily a livestock farming area. Is he aware that the movement restrictions in the protection zone are having a serious impact on other, non-agricultural, businesses and can he tell the House what measures he is considering to support businesses, some of which are under extreme pressure? Will he please not tell the House in response that owners of other affected businesses will have to look to taking legal action against the Government to get compensation or support for the loss they are suffering?

**Hilary Benn:** I do not wish to disappoint the hon. Gentleman, but as he is aware, it has been the policy of Governments—not just this Government, but other Governments—that compensation is not paid for consequential economic loss, so I can give him no comfort on that score. The nature of the area in which the outbreak occurred has meant that it is relatively lightly stocked, which is an advantage, but it has also meant that animals kept there are not necessarily on the registers, which is one of the difficulties that vets and animal health staff have faced. We ease restrictions where it is right and proper to do so, having taken account of the veterinary risk. I know it is tough and difficult, but the one thing the House would not forgive me for would be if I were to lift those restrictions—on the advice of the chief veterinary officer, which I have taken on every occasion—in a way that undermined our chance of containing and ultimately eradicating foot and mouth.

**Gordon Banks** (Ochil and South Perthshire) (Lab): Can my right hon. Friend advise the House whether he has any plans to pass to the Scottish Executive responsibility for all decision-making processes affecting livestock movements and associated matters relevant to future foot and mouth outbreaks in Scotland?

**Hilary Benn:** As my hon. Friend is aware, a lot of those decisions already fall to the Scottish Executive and one of our tasks in dealing with the outbreak has been to make sure that we work in partnership with the Scottish Executive and the Welsh Assembly Government. My hon. Friend's question gives me the chance to pay tribute to them for the co-operation and support we have received.

The outbreak has thrown into sharp relief for me the issue of cost and responsibility in the industry. I cannot help reflecting on the fact that some of the decisions that it falls to the holder of this office to take during the course of the outbreak are ones that, in a different way of doing things, might fall to the industry or some form of organisation representing stakeholders. I say that because last Thursday afternoon when I talked to farmers in Newmarket affected by bluetongue, I saw that there was a difference of interest between those caught by the bluetongue control area and farmers in other parts of the country. Once this is all over, I for one will come back to discussions about cost and responsibility in a new light because in future we ought to be looking at different ways of taking decisions about how restrictions are put in place and lifted.

**Mr. Michael Jack** (Fylde) (Con): I, too, thank the Secretary of State and his Ministers for keeping me closely posted of developments. Does he accept that the outbreaks of both foot and mouth and bluetongue raise wider issues about biosecurity on farms in this country? As part of the inquiries he is holding, will he include an assessment of how well prepared farmers are in terms of the effectiveness of their on-farm biosecurity arrangements, especially taking into account the fact that in the livestock sector they are under economic pressure, they cannot always afford the best veterinary or biosecurity advice and there is an overall shortage of vets with large-animal experience?

**Hilary Benn:** I am grateful to the right hon. Gentleman for his kind words, and I will pass on exactly what he has said to Iain Anderson. He has a very wide remit, but the right hon. Gentleman raises an important point, and I will ask Iain Anderson to look at it as part of his work.

**Paddy Tipping** (Sherwood) (Lab): I welcome the Secretary of State's comments about involving farmers and stakeholders in wider discussions about biosecurity and about the need to look at insurance-based risk policies. I congratulate him particularly on learning the lessons from the 2001 outbreak, by declining to close the countryside to visitors, because it is the value of people using our footpaths, pubs, shops, restaurants and attractions that keeps the rural economy going. We need to be clear that, although farming makes an important contribution to the rural economy, other drivers are there as well.

**Hilary Benn:** I agree, particularly with the last point. In the end, we have to strike a balance, and we have all been at great pains to emphasise that the countryside is open, although there have been concerns about footpaths

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in the protection zones in Surrey—an issue that a number of Members who represent constituencies there have raised with me—and we have found a sensible way forward in those circumstances.

My hon. Friend is absolutely right that we need to look at some of those wider considerations in relation to the industry, because these are fundamentally diseases that have a very severe economic impact. That goes back to the point made by the right hon. Member for Fylde (Mr. Jack), who is the Chairman of the Select Committee on Environment, Food and Rural Affairs, about what more can be done to try to anticipate such things and to find out what kind of insurance might be available and, bluntly, to work out how the cost of dealing with this will be shared in those circumstances. Those are precisely issues to put into the discussions about cost and responsibility once this is over.

**Mr. Angus MacNeil** (Na h-Eileanan an Iar) (SNP): As a humble and active crofter, I declare an interest. In Scotland, we have 250,000 lambs stuck on hills or slowed from moving from hills or islands. The export market has been closed for the crucial two months of the autumn, resulting in massive grazing pressure. Of course, the situation is similar in Wales. Following advice from the Scottish Society for the Prevention of Cruelty to Animals and the chief vet on welfare concerns for livestock, the Scottish Government have responsibly prepared a sheep welfare scheme, details of which will be announced tomorrow. However, as Westminster still exercises powers to collect Scottish taxes and given that this emerged from a Westminster Government laboratory, will the Government live up to their responsibilities and fund the Scottish and Welsh schemes fully? A proper welfare scheme is, of course, needed to offset the loss of millions of pounds suffered by Scottish and Welsh crofters and farmers. Will the Minister please remember the crucial point that sheep numbers across the nations of the UK do not follow normal Barnett percentages?

**Hilary Benn:** I am indeed conscious of the last point that the hon. Gentleman makes. Of course, as he says, the Scottish Executive and the Welsh Assembly Government are developing their own schemes to deal with the circumstances. I grant entirely the point that he makes about the hills in Scotland and Wales, where the pressures are particularly acute, given the weather and the time of the year, and it is for each Administration to decide on the most appropriate way forward. We do not yet know the total cost of dealing with this outbreak, and there is a genuine debate to be had about the extent to which welfare disposal schemes constitute an animal health issue, as opposed to support for the industry, which is facing real economic difficulties. One of the issues that I must address in time, once the total cost is known, is whether it can be managed within my budget and, if not, there are traditional routes that one turns to, including conversations with the Treasury, and the devolved Administrations can, of course, do the same.

**Nick Ainger** (Carmarthen, West and South Pembrokeshire) (Lab): A number of colleagues have already referred to this happening at the worst time possible for the farming industry and for the impact that it has certainly had on the sheep sales of hill farmers in Wales. However, the solution is clearly to get trade back to normality as quickly as possible. My right hon. Friend's statement did not refer to the possibility of resuming live exports, particularly of sheep and calves, which are a mainstay of the dairy industry. Although it is welcome that a compensation package is in place in England, Wales and Scotland and that meat exports will resume from Friday onwards, can he tell the House any more about what pressure can be brought to bear on the European Union, so that we return to normality with live exports?

**Hilary Benn:** The resumption of live exports is some way away yet; that will depend on the passage of time following the confirmation of the last case—currently, the eighth infected premises. Exports to the rest of the world will follow later, because of international animal health organisation rules. Product exports are worth about £40 million and live exports about £2 million, so the single most important thing that we can do is support the resumption of product exports. That is what the Commission has agreed to do for large parts of the country from this coming Friday. As I said earlier, I hope that the area from which such exports can come will increase with time.

**Mr. Roger Williams** (Brecon and Radnorshire) (LD): I draw the House's attention to my declarations of interest as a livestock farmer.

The losses suffered by the livestock industry absolutely dwarf the compensation scheme that the Secretary of State has announced today. Lack of marketing opportunities, increased costs and a dramatic fall in the price of breeding stock and stock for slaughter have caused those losses. Will the Secretary of State commission an independent review on the losses that have been suffered by the agricultural industry, so that the Government can be in a position to offer a realistic compensation scheme when those losses are known?

**Hilary Benn:** I am happy to write to the hon. Gentleman with our current best assessment of what we think those economic losses are. I undertake to put a copy of that letter in the Library. Clearly, the situation will change over time; as product exports resume, losses that might otherwise be incurred may not be.

As I have learned during the past couple of months, farmers face really difficult decisions in deciding whether to sell now or not; they are wondering where the market will be in a week's or a month's time. In truth, we do not yet know what the full economic impact will be; nor do we know how much it might be possible to recover some of that because of the changes in movement, markets and product export that are about to come upon us. That is why we do not yet know the full answer to the fair question that the hon. Gentleman has raised.

**Mr. Deputy Speaker (Sir Michael Lord):** Doug Hoyle.

**Lindsay Hoyle:** Lindsay—I am looking older, but not quite that old, Mr. Deputy Speaker. At least, I hope that I do not; it would have been a bad summer.

The bluetongue virus is a worry for sheep farmers, as my right hon. Friend the Secretary of State is well aware. Does he believe that a hard winter could eradicate the virus in the UK, or that it would lie dormant, only to reappear early next spring? If the latter were true, the pressure would be about where it would appear next. That is the first part.

Secondly, I should say that the issue is about money that farmers need, and my right hon. Friend is right about that. However, we ought to push supermarkets and the middlemen to pay fair prices and ensure that farmers can survive, rather than be squeezed, as they have been in the past 15 years. Please, let us put pressure on the supermarkets and the middlemen—fair farm-gate prices are the future for farming.

**Hilary Benn:** My hon. Friend makes a good point. At the beginning of this outbreak, I spoke to the heads of all the main supermarkets to make that point—"Farmers are having a difficult time; anything and everything that you can do to assist would be much appreciated." That is why money for promotion and to help with exports is part of the package that I announced today; those are practical steps that we can take to try to get the market operating again.

On the bluetongue virus and the winter, I cannot predict how cold or otherwise the winter will be, but as the weather gets cooler there will undoubtedly be less midge activity. The evidence from Europe last year was that the midges with the virus did overwinter and came back with a bit of a vengeance at the start of this year. So winter may provide a temporary respite, but if the experience of northern Europe is anything to go by, the virus will be back next year. That is why the development of a vaccine is so important.

**Mr. David Curry** (Skipton and Ripon) (Con): I am grateful to the Secretary of State for his visit to Skipton market in my constituency and for the package of measures he has announced today. If he wished to do a little extra, he might look at the veterinary fees that auction marts have to pay when they are in session. He will know that upland farmers make a significant part of their livelihood from sales to the lowland. In Skipton next week, the most crucial sales of the year—sales of stock for breeding and fattening to the lowland—begin. Many farmers do not have a great deal of choice about whether they sell, because there is no grass or keep left. But they do not know whether there are going to be any buyers, because many of the buyers are in the bluetongue zones in the south of England and they do not know whether they can afford to buy.

The Secretary of State might wish that somebody else would take the decision, or that there was another means of taking the decision, about the extension, maintenance and life of the bluetongue protection zone, but if the sales are to be economically effective, it is crucial that people know where they stand. Please will he recognise the urgency of taking the decision about the bluetongue zone? The fortunes of foot and mouth disease-struck farmers depend a great deal on that.

**Hilary Benn:** I am grateful to the right hon. Gentleman for joining me at Skipton market last Thursday, where he made the very good point that the market is not just crucial to the livelihood of his constituents, but is an important part of their social networks. I saw that for myself. He is absolutely right. As I travelled down to Newmarket, I encountered exactly the point that he has raised.

I want to be frank with the House about the dilemma that we face as far as the bluetongue zones are concerned. By putting the zones in place in the way that we have, we are trying to restrict the movement of bluetongue to other parts of the country. But the price of that is that the farmers I met in Newmarket said, "Well, I'm not sure that we are going to go to the sales in Skipton and elsewhere next week because, while we can buy the animals and bring them into the bluetongue zone, we're not sure that we can ever get them out again because of the restrictions that you've put in place."

The dilemma for the industry, and for us—let us be frank about it—is that we are balancing trying to minimise the likelihood that bluetongue will spread to other parts of the country, which would be the consequence of widening the zone to allow greater movement and trade, and a passage to abattoirs, against trying to minimise the economic impact for both the hill farmers whom the right hon. Gentleman represents and the farmers in East Anglia who would be buying. The right place to have that conversation is with the industry. In the end, yes, we will have to take a decision, but it is a real dilemma. Those conversations are taking place now and it is important that, as Members, we all contribute to them, because it is a tough choice to make.

**Angela Browning** (Tiverton and Honiton) (Con): On foot and mouth, the Secretary of State mentioned the contamination of the drains and the spread of the disease by vehicles. Can he confirm that his investigations have either ruled out, or are at least looking at, the possibility of the disease spreading through watercourses from the spoil that was excavated from the drains on the Pirbright site? I ask because I have had letters on the subject. Clearly, there was a second outbreak, further on, and I understand that it is possible that if spoil had got into the watercourse, it could have contributed to the latest outbreaks.

**Hilary Benn:** I do not know whether the hon. Lady is referring to spoil within the Pirbright site.

**Angela Browning:** Yes.

**Hilary Benn:** The Health and Safety Executive went over the Pirbright site with a pretty fine toothcomb and, as the hon. Lady can read in the report that it produced and which I published on 7 September, the HSE's best assessment is that the route of transmission was the one that it describes. I am not aware—but I will go back and check the report again—that anybody thinks that movement of the virus directly from watercourses to other parts of Surrey could possibly be the route. However, the reason I said earlier that one cannot be 100 per cent. sure is because that is what the two reports said. The explanation is the most likely one, but we cannot be 100 per cent. sure. Professor Spratt reinforced the point that we are also learning about the extent to which the virus can survive out in the open, depending on the climatic conditions.

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One of the lessons that we will have to learn from this—not just in the UK, but in other countries in Europe—relates to protection and surveillance zones. Since this is not the first time—if I remember rightly, there was a case some years back of a virus escaping from a laboratory in the Netherlands—are there lessons that we need to learn about the nature of the controls that we put in place in case there is an outbreak from such a source? I undertake to go away and reflect on the points that the hon. Lady has raised.

**Mr. Gary Streeter** (South-West Devon) (Con): Given that the bluetongue virus has been at large on the continent for several years, is there not an extensive body of research and best practice that we can draw down from our continental partners, so that we can learn more quickly how to either eradicate the midge, or create a proper vaccine? Surely we do not have to reinvent the wheel on our own.

**Hilary Benn:** No, we do not. The hon. Gentleman makes a really good point. I discussed that precise issue with the deputy chief veterinary officer earlier this afternoon. We had a control plan in place, because we and the industry anticipated that at some point the wind would be in the wrong direction, and that the virus was likely to come across the channel or the North sea, and that appears to have transpired. The countries in northern Europe that have been badly affected are learning how to live with the problem, and are considering what variations one can make within the controls that Europe lays down. In answer to an earlier question, I set out one of the dilemmas that we face. We will indeed draw on the experience of other countries, because they had the virus first, and I am sure that we have a lot to learn from them.

**Mr. Alan Beith** (Berwick-upon-Tweed) (LD): Bearing in mind the impact that the devastating market conditions are having on Northumbrian farmers, who struggled to rebuild their businesses after the 2001 outbreak, is it really enough to advise Departments that it might be a good time to buy a bit more meat? Ought not the Government to consider the purchase of meat, particularly lamb, for cold storage on a systematic scale?

**Hilary Benn:** I know that there have been such schemes in the past. The right hon. Gentleman will, in fairness, recognise that the question of what the Government can do to buy, what supermarkets can do to purchase, what meat individuals choose to buy, and the issue of financial compensation and so on is part of a contribution, although it is not enough, and it is not the only thing that we are doing. Instead of putting the meat into storage purchased by the Government, I would much rather that it went into the supply chain, with us having got economic activity back up and running. That is what we, with Europe, are concentrating on trying to do.

**Mr. Henry Bellingham** (North-West Norfolk) (Con): Bluetongue has the capacity totally to devastate the livestock industry, not just in East Anglia but throughout the country. Has the Secretary of State looked into a possible compensation scheme for farmers who are affected, and for those who could well be affected in future?

**Hilary Benn:** No, I have not. I accept entirely the point that the hon. Gentleman makes about the nature of the threat, having looked at the death rates among sheep affected by bluetongue in northern Europe, but it is not the only disease that has to be dealt with by the farming industry and those who keep livestock. It is fundamentally a severe economic problem for the industry. The industry feared that it would arrive, and obviously we will have to see how things unfold. Of course, the best route for preventing the situation that the hon. Gentleman describes is to develop a vaccine as quickly as possible, and to make sure that it is used to protect livestock.

**Several hon. Members** *rose—*

**Mr. Deputy Speaker:** Order. I appreciate that these are important matters, but we must move on to other business.

## Points of Order

5.33 pm

**Dr. Andrew Murrison** (Westbury) (Con): On a point of order, Mr. Deputy Speaker. I seek your advice on what opportunities exist for the Home Secretary, whom I have contacted, to correct the impression that she gave at her party's conference in Bournemouth—the impression that she does not hold our Territorial Army, on which her Government are heavily reliant, in the high esteem that is surely its due.

**Mr. Deputy Speaker (Sir Michael Lord):** I have to say to the hon. Gentleman that I am not quite clear what he is referring to, but it is up to the Members concerned to respond to any remarks made outside the House.

**Andrew Mackinlay** (Thurrock) (Lab): On a point of order, Mr. Deputy Speaker. On Wednesday, the House will discuss the European treaty, and at 2.30 pm the Foreign Secretary will come before the Foreign Affairs Committee as a witness on the proposed treaty. In the Vote Office, a copy of the draft European treaty, which emerged last week after the meeting of a group of legal experts, is not available. It was dispatched to the Foreign Office on 5 October. The Foreign Office has been able to produce the draft declarations, but the protocols are not available, and nor is the latest draft of the treaty. It is unacceptable and sloppy that it is not available today. I wonder whether you, Mr. Deputy Speaker, could use your good offices to put a rocket under the Foreign and Commonwealth Office, so that it gets some of its Johnnies over here quickly with some copies.

**Mr. Deputy Speaker:** I am not sure that the matter will be dealt with in quite the way that the hon. Gentleman suggests, but I am grateful to him for bringing it to the attention of the House. Clearly, all the proper papers should be available at the appropriate time for Members to look at, and I am sure that those on the Treasury Bench will have taken note of his point of order.

**Mr. Bernard Jenkin** (North Essex) (Con): On a point of order, Mr. Deputy Speaker. Given that I have an outbreak of bluetongue in my constituency and that I unfortunately failed to catch your eye following the statement, is there some way in which I can bring extra pressure to bear so that I might raise the matter on the Adjournment of the House?

**Mr. Deputy Speaker:** I am sorry that the hon. Gentleman was not called at the time of the statement, but he will appreciate that it went on for nearly an hour and that lots of hon. Members have an interest in these matters. He is an experienced Member of the House and he will know that there are other ways of raising these issues. The point that he has made has been noted, and I am sure that he will find other ways of raising the question of bluetongue in his constituency.

**Mr. Edward Garnier** (Harborough) (Con): On a point of order, Mr. Deputy Speaker. I fully appreciate the time constraints that the House, and therefore you, are under this afternoon. Can you ask the Speaker to contact the DEFRA ministerial team directly, to see whether it might be possible to have a subsidiary statement later in the week? The bluetongue boundary goes straight through the middle of my constituency, and I have constituents who are affected either way. It would be hugely important for the welfare of my constituents and indeed for the greater edification of the House if the Secretary of State for the relevant Department could be asked to come back here to discuss the matter further this week.

**Mr. Deputy Speaker:** Sadly, I fear that these matters will continue for some time. The Secretary of State responsible for them has said that he will keep the House informed, and I am sure that that means that he will be coming back to the House on future occasions, on which the hon. and learned Gentleman will have the opportunity to put to him the serious problems in his constituency.

**Mr. Julian Brazier** (Canterbury) (Con): Further to the point of order made by my hon. Friend the Member for Westbury (Dr. Murrison), Mr. Deputy Speaker. The Army's unofficial websites are buzzing with fury at the derogatory jibe made by the Home Secretary about the Territorial Army. There is a real problem with the structure of this place, in that when Ministers speak outside their briefs, they do not appear to be directly accountable to the House. By what mechanism can the Home Secretary be pressed on this matter? Six young Territorials have died on active service in the past two or three years, and a much larger number have been wounded. This remark has caused grave angst among people serving abroad and their families.

**Mr. Deputy Speaker:** I understand the concern—*[Interruption.]* Order. I understand the concern that the hon. Gentleman raises. These are clearly important matters. Every Member of the House, whatever role they occupy, should be very careful about the language that they use, both inside and outside the House. At the end of the day, every right hon. and hon. Member is responsible for their own words, but they also eventually have to come back to the House to justify them.

**Peter Bottomley** (Worthing, West) (Con): On a point of order, Mr. Deputy Speaker. You will notice that on page 2828 of the Order of Business for today, there are a number of written ministerial statements. No. 14 concerns recruitment to medical training. The House will probably know that Sir John Tooke's report was released at midday today. I understand why no copies are available; I am not sure that he has had a printed copy yet. However, given that this report into what might gently be called the chaos of what happened in the summer also includes, as appendix 9, the Douglas review's final report, which was not provided to the House in July, would it be possible to invite the Secretary of State for Health to consider making a statement tomorrow, as well as a written statement today, when the Tooke report is available, so that hon. Members can question him on what happened under the previous Secretary of State? This is an important issue, but the report is not available today for us to read.

**Mr. Deputy Speaker:** I understand the hon. Gentleman's concern about this matter. Whether to make written or oral statements is entirely a matter for the Minister responsible, but I know that this is an important issue and no doubt those on the Front Bench will have heard the hon. Gentleman's point of order.

# Orders of the Day

## Criminal Justice and Immigration Bill

*Order for Second Reading read.*

5.39 pm

**The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw):** I beg to move, That the Bill be now read a Second time.

Since 1997, crime has come down by a third and the chances of becoming a victim of crime are the lowest for 26 years. Many more offences have been brought to justice and the number of asylum seekers is at its lowest level since 1993, while removals are up by 10 per cent. Part of that achievement is down to increased investment in key public services: 20,000 additional prison places, 14,000 additional police officers, 16,000 community support officers and a 72 per cent. increase in probation spending. However, that increased investment has had to be accompanied by major changes in the environment in which law enforcement and criminal justice agencies and key parties such as local authorities operate. Reform of the youth justice system, partnerships with local authorities, streamlining immigration appeals, as well as the creation of specific criminal offences, all require detailed changes in the law.

While in other areas of public administration such as pensions, social security, health or education, Parliament and the public have long accepted that much of the primary legislation should be framework and enabling in nature with the detail contained in regulation, in this area, where we are dealing with critical issues concerning the safety of the public and the liberty of the individual, the detail itself has to be contained in the primary legislation.

In turn, that has meant, for as long as I have been in the House, that there have been many criminal justice and immigration Bills. I am told that this is the 39th since 1997, although if the Opposition wish to examine the record, they will see that numbers were previously above that level. I understand the concern, especially among practitioners, for less frequent changes in the law. The problem that we face—I do, and we all do—is to balance that requirement for stability against the need to ensure that the system and the substantive law are responsive to changing demands from the public and practitioners. One example from many is the revolution in technology and communications that we witness today. Virtually the whole Bill is explained by just such changing circumstances, as I shall set out now as I deal with key parts of the Bill.

**Chris Bryant** (Rhondda) (Lab): Another reason for introducing legislation is to overcome anomalies that may already exist in respect of other legislation. For some considerable time, we have had an offence of incitement to racial hatred, and we now have an offence of incitement to religious hatred. Is it not now time that we had an offence of incitement to hatred on grounds of sexual orientation? The number of people facing homophobic attacks—both physical and verbal, and often directly associated with the vile propaganda of organisations such as the British National party—is now growing, not falling.

**Mr. Straw:** My hon. Friend anticipates me, and I hope to ensure that he is satisfied with what I have to say.

Let us take part 6 of the Bill, which relates to the possession of extreme pornographic material. Ten years ago, the internet was in its infancy, Google was not even a word in the English language and possession of pornographic material was by proof of control of the physical material—silver oxide photographs on paper, celluloid film or video tape. Distribution, too, was by physical means. Now we have the internet, and along with the innumerable benefits that it brings have come significant risks to public protection. Information, photographs and videos can be shared instantaneously across the world, but so too can deeply offensive, violent and illegal pornography.

We believe that those who produce and publish this vile material in the UK are already covered by legislation, but we need the new offences created by part 6 for those who possess it, because the makers and distributors are very often operating across borders, from eastern Europe, the United States and elsewhere.

**Martin Salter** (Reading, West) (Lab): Has the Secretary of State had the opportunity to meet Liz Longhurst from Reading, who has campaigned tirelessly for three years for precisely this measure to clamp down on extreme internet images, which she and many others are convinced directly led to the murder of her lovely daughter, Jane, in Brighton three years ago?

**Mr. Straw:** Thanks to my hon. Friend, I have indeed had an opportunity briefly to meet Mrs. Longhurst, and I would like to pay tribute to her on behalf of the whole House, and to express our sincere condolences for the grief that she and her family suffered as a result of this terrible murder of her daughter, Jane. I would also like to applaud the campaign that she has so skilfully and resolutely waged. I hope that the clauses in part 6 will at least go some way to meeting her concerns, although nothing, of course, can bring back her daughter or take away the grief that has been caused.

Another example of the changing environment is nuisance and disturbance in national health service premises. There is great concern among NHS staff about the wholly unwarranted upset, and very much worse, that they have been caused by the bad behaviour of some patients and members of the public. Indeed, I have read figures referring to 58,000 assaults of one kind or another on NHS staff in a single year, which obviously represents stress on the staff and great costs for the public, warranted by staff being off sick.

The nurses, doctors, porters and other staff who work in the health service deserve our respect and gratitude for what they do. They should never have to work under the spectre of intimidation, nor run the gauntlet of threats. That is why part 9 will make it an offence to cause nuisance or disturbance on NHS premises.

**Mr. Neil Gerrard** (Walthamstow) (Lab): Can my right hon. Friend clarify whether that part of the Bill covers not just hospital premises, but GP surgeries, which may not necessarily be owned by the NHS? I have come across cases of GPs and their staff having to deal with some extremely difficult people who have been abusive and threatening.

**Mr. Straw:** My recollection, having read the Bill very carefully, is that the definition of NHS premises does not extend to GP surgeries, but I am happy for my hon. Friend or other Members to ensure that the issue is examined in detail upstairs in Committee. I am grateful to him for raising it.

Sometimes, one limited innovation in the law works sufficiently well for there to be a wide demand, including from practitioners, for its extension. The Anti-social Behaviour Act 2003 gave to the police the power to close crack houses, which has been used to the benefit of some 1,000 communities. However, I think we all have constituency examples of continued disturbance from other premises, which might be residential houses. There is particular difficulty where those houses are, for example, private rented homes beyond the control of local authorities or other social landlords, or in some cases owner-occupied homes.

Part 9 will amend that Act to cover premises associated with significant, persistent disorder or nuisance. That builds on experience in Scotland under a provision passed by the Scottish Parliament that has also worked well to ensure that excessive and persistent antisocial behaviour, which has a devastating impact on neighbours and the wider community, can be dealt with in such a way.

Alongside providing practitioners on the front line with the powers that they need, we also need to ensure that courts are applying appropriate sentences. We would be failing in our responsibility to society if we concentrated only on how we deal with offenders and did not focus on preventing offending behaviour in the first instance. Stopping young people being drawn into crime must be a priority, which is why part 1 will introduce a new community sentence—the youth rehabilitation order.

**Helen Jones** (Warrington, North) (Lab): The youth rehabilitation order will allow courts to impose drug treatment requirements, but it says nothing about alcohol. My right hon. Friend will be aware of the widespread concern in my constituency about alcohol fuelling crime, following the appalling murder of my constituent Mr. Garry Newlove, and will have heard the comments made by the chief constable after that murder. If alcohol is not to be covered by the drug treatment requirement, will my right hon. Friend undertake to reconsider the matter in Committee, so that, as well as trying to prevent under-age drinking, we can deal with it when it causes crime?

**Mr. Straw:** I am grateful to my hon. Friend for raising that issue. If I may on this occasion, I shall express my condolences and those of the whole House to the family of Garry Newlove and his community over the grievous loss that they suffered in this terrible murder. I do understand the concern. As she may know, I was in the adjoining constituency of Warrington, South last Thursday to visit one of Her Majesty's prisons, and I was asked by the local press about the matter. I shall ensure that my right hon. Friend the Minister of State considers her points carefully, and if possible, that we meet the concerns that she has identified.

If we are to protect society from violent and dangerous offenders, and to reduce offending, we need to consider carefully the balance between the use of prison, community penalties and fines. As I have indicated, we have provided 20,000 prison places since 1997, which is twice the rate of the previous Administration. We have also extended the use of effective and tough community penalties—

**Mr. Robert Marshall-Andrews** (Medway) (Lab): Will the Home Secretary give way?

**Mr. Straw:** In a moment.

We have increased investment in drug interventions tenfold, and increased investment in probation services by 72 per cent. Under this Government, judges and magistrates are sending more people to prison and for longer. The protection of the public is and will remain our primary concern, demonstrated perhaps no more clearly than by the fact that 60 per cent. more violent and serious offenders are in prison now than in 1997.

**Mr. Marshall-Andrews:** May I apologise for addressing my right hon. Friend as the Home Secretary? No gratuitous insult was intended. What powers under part 1 and the youth rehabilitation order are not available under one or other of the number of orders currently available to the Crown or magistrates court?

**Mr. Straw:** My hon. and learned Friend will no doubt wish to take a 100 lines to remind himself that I am now the Lord Chancellor. I am proud of my period as Home Secretary, too, during which I always enjoyed his full support. Additional coverage is available under the order specified in part 1, including in respect of residential and activity orders.

**Mr. Edward Garnier** (Harborough) (Con): I am most grateful to the Lord High Chancellor, as he likes to be called, for giving way. Before we get too far into the debate, will he confirm the way in which the 20,000 additional prison places, which he claims have been created since 1997, came about? A few thousand genuinely new prison places have been created, most of which are the result of contracts let by the previous Government. Will he also confirm that tonight 18,000 prisoners will double up in cells designed for one, and that 1,000 prisoners will treble up in such cells? The real reason that he can claim, as he does, to have provided 20,000 new places is that he is doubling and trebling up men in single cells.

**Mr. Straw:** There is no dubiety about where those additional places have come from. A large proportion are new, and it is not true that the majority of the contracts were signed and financed when we took office. That is simply incorrect. Some were in a programme, but we had to provide the money, and that has continued. We have continued the policy of the previous Administration of doubling and trebling in cells where possible. The difference, however, is that we have put internal sanitation into virtually all cells, whereas 10 years ago the condition of many prisons across the country, particularly local ones, was scandalous. I remind the hon. and learned Gentleman that when I became Home Secretary just 10 and a half years ago, a large number of places in police cells were being used.

*[Mr. Straw]*

We may hear from the hon. Member for Arundel and South Downs (Nick Herbert) later about the need to increase the prison population. He has talked about prisoners serving their full terms "period", and building as many places "as it takes". I do not know whether he has spoken about that to his hon. and learned Friend the Member for Harborough (Mr. Garnier), who has called consistently for a reduction in the prison population since he came into the House, and made that point again at column 1459 on 11 July.

**Philip Davies** (Shipley) (Con): Will the Secretary of State give way?

**Mr. Straw:** In a moment.

Prison is an essential component of the criminal justice system, but no one believes that it should be the only component. The punishment should fit the crime. If the offence warrants a community penalty or fine, a community penalty or fine should be handed down. Part 2 of the Bill introduces a range of measures to ensure proportionality in sentencing. There is clear evidence—it is counter-intuitive, but it is there—that suspended sentences are being used for summary-only, less serious offences, which might previously have attracted a community order. The idea of suspended sentences was that they should be used as an alternative to immediate custody, not as an alternative to community sentences. In our judgment, it is therefore right to confine the option of a suspended sentence order to more serious, indictable-only or either-way offences.

**Philip Davies:** Does the Secretary of State accept that it is blindingly obvious that the more criminals who are locked up in prison, the fewer criminals there are out on the streets committing crimes? Does he accept that for every 1,000 crimes committed in this country only 13 people go to prison, compared with more than 20 in Europe, and more than 100 in America, and that we have a very low prison population? Does he not recognise that many people in this country are sick to the back-teeth of prisoners being let out early, and want prisoners to serve the sentence handed down by the courts in full?

**Mr. Straw:** Would that that were the case. There is no doubt that the additional places that we have provided, and will continue to provide—at twice the rate of the Administration whom the hon. Gentleman supported—have contributed to the fact that, whereas between 1979 and 1997 crime doubled, since 1997 crime has gone down by at least 35 per cent. on whatever measure one wishes to use, including under the British crime survey. Similar reductions in violent crime have also taken place. I invite him to look at that study, which was done entirely independently.

**David T.C. Davies** (Monmouth) (Con): Will the Secretary of State give way?

**Mr. Straw:** No, I am answering an intervention from the hon. Gentleman's colleague.

The hon. Member for Shipley (Philip Davies) needs to examine two things. First, longer-term sentences work to reduce offending, but shorter-term sentences, which have always and will always exist, often have a fairly high reoffending rate, regardless of whether the sentence is 18 days longer or shorter. We are increasing the number of prison places. If he is saying that there should be no reduction for good behaviour, and no incentive for prisoners to behave themselves, and that we should return to the lunacy that the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) tried to put through the House between 1996 and 1997—he utterly failed and had to withdraw his own shambles—as the hon. Member for Arundel and South Downs proposes, that would involve an increase of 60,000 places—*[Interruption.]* He says, "Hear, hear." That is a further commitment. It would be at a cost of £8 billion in building costs and £2 billion in running costs. Let the hon. Member for Arundel and South Downs spell out that that is now his party's proposal.

Secondly, we should look at the experience in the United States. We have locked up about 145 per 100,000 people, which is the highest level in Europe. Proportionate to its population, the United States has five times that number locked up. The Opposition propose that this country should have 700 prisons and 400,000 people locked up, which is the consequence—*[Interruption.]* The hon. Member for Arundel and South Downs is now laughing. That is the consequence of praying in aid the example of the United States. The United States has 2.2 million people locked up. Has it cut violent crime? Has it reduced its murder rate? No, it is still four times that in this country. We have just had another example of a mass gun killing on the streets of an otherwise peaceful community in Wisconsin. The Opposition ought to think about that before they blather away on the issue.

In the case of recalls, offenders who breach the terms of their licence are recalled to prison and kept there for as long as they present a danger to the public. That will not change, but many of the 11,000 offenders who are now recalled to prison each year are not in that category. Part 2 of the Bill provides for non-dangerous offenders to be recalled for a fixed 28-day period.

A fourth example of the ever-changing circumstances to which we have to respond is contained in part 2 of the Bill. The criminal law is drafted with great care, but sometimes its specific wording can trap victims and sentencers alike into facing unintended and unacceptable consequences. Right hon. and hon. Members will remember the outcry caused by the Sweeney case last year. Sweeney's was a truly horrific crime, but because of the sentencing rules, the learned judge in the case had to reduce the minimum term of 18 years to a sentence of just less than six years. No criticism can or should be made against the learned judge involved. He was applying the law in that case.

Some of the reduction was due to guidance on discounts for early guilty pleas, which has now been revised by the Sentencing Guidelines Council. However, there is a broader point on discounts in such exceptional cases, which we want to address in the Bill. We propose to give judges the discretion when they believe that the offence is sufficiently serious to set the sentence that they see fit and not to have to halve the determinate sentence. In addition to that, where

offenders are re-sentenced to an indeterminate sentence following an appeal by the Attorney-General, they should not as of right benefit from any sentence discount. We have already abolished discounts in respect of murder cases, but the Bill extends that to all life and indeterminate sentences.

**Mr. Alan Beith** (Berwick-upon-Tweed) (LD): In welcoming that return of a degree of judicial discretion, may I also remind the Lord Chancellor of another unintended consequence, which concerns indeterminate sentences for public protection? So large is the number of summary offences and relatively short-sentence offences involved that the Parole Board cannot possibly process the cases within the time limit required. Is that not another unintended consequence that needs to be put right?

**Mr. Straw:** I am concerned about that—I am coming before the right hon. Gentleman's Select Committee tomorrow and shall no doubt be examined in detail about the operation. It is not satisfactory and has led to getting on for 400 tariff-expired IPP—imprisonment for public protection—prisoners still serving their sentences, while only 11 so far have been released. That is not acceptable. We are working hard to cut the number of tariff-expired prisoners in that situation.

In the past 10 years we have developed much better tools for dealing with sex offenders, not least with sex offender orders. We now wish to build on that experience. Part 8 of the Bill provides for violent offender orders, giving police another tool to manage the risks posed by the most dangerous and violent offenders. Those subject to such orders will be required to register with the police and will be subject to other prohibitions and restrictions. Breach of an order will be punishable by up to five years in prison.

**Ms Sally Keeble** (Northampton, North) (Lab): My right hon. Friend seems to have jumped over part 4, in which I am particularly interested, which deals with the ombudsman. I do not see any reference to institutions for children or young people. Does he intend to make the ombudsman process open to children and young people in institutions or does he intend to strengthen the inspection or appeal regimes for young offenders?

**Mr. Straw:** That issue is not currently covered either by the ombudsman or by the statutory arrangements that we propose to put in place through the Bill. I am happy to consider the matter, but those arrangements are currently covered by other inspection and inquiry procedures.

In part 3 of the Bill we seek to recalibrate a little the test for quashing convictions in favour of the victim, not the offender. In any democratic country—the rule of law is a fundamental precondition for that description—there are two tests for the justice system. First, was the person guilty? Secondly, was the process followed in establishing that guilt fair and acceptable in a civilised society? Both of those tests are of equal importance. They lie behind the profound truth that justice must not only be done, but be seen to be done. Without them, confidence in the justice system would be significantly undermined. Yet adherence to those tests should not in turn undermine the very principles that they seek to protect.

Within the boundaries of fairness and equity set by the need to follow proper procedures, there should be scope for an approach that allows the Court of Appeal, when it is convinced of the offender's guilt and is sure that procedural impropriety in the case has not led to injustice, to uphold the original conviction. Equally, we cannot and should not sanction conduct by agencies of the state that would egregiously degrade the rule of law. It must be open to the Court of Appeal in exceptionally serious cases of abuse of process to quash the conviction, even where the court is satisfied as to the appellant's guilt or his or her guilt is not an issue in the appeal, as is more usual.

Earlier this year my right hon. Friends the former Lord Chancellor, the Home Secretary and the Attorney-General published a detailed consultation paper on the issue. Many responses were received, a summary of which is published today. Almost all the responses were critical of the drafting contained in clause 26. I can therefore tell the House that I am comprehensively reviewing the drafting of clause 26 as it is currently written. I intend to table a replacement, which I hope will meet the major criticisms made and the policy objective behind the clause.

The consultation has, however, brought out a separate issue: the need to clarify the law, so that when the Court of Appeal is dealing with an appeal relating to a conviction of many years standing, typically on a referral by the Criminal Cases Review Commission, it may do so on the basis of the law at the time of conviction. I shall bring forward amendments to cover that proposal too, which is sought by practitioners.

**Mr. Marshall-Andrews:** Briefly, I welcome my right hon. Friend's approach to clause 26 and to what appeared to be an attack on the Court of Appeal's right to allow appeals and to strike down convictions in cases of gross abuse of process. I know that he will take the view that there must be something in the new clause to allow the Court of Appeal to continue to do that in such circumstances.

**Mr. Straw:** I am grateful for the interest that my hon. and learned Friend has taken in the matter. When we bring forward the replacement I hope that it will meet the concerns expressed on both sides of the House and those of practitioners. He is absolutely right. It is true that in most cases, although not in all, where there has been not so much an abuse of process as an error of process, which might have been relatively serious but which still does not affect the justice of leaving a conviction to stand, the Court of Appeal will do that or will sometimes order a retrial.

However, I certainly accept that there are some examples—we can all think of them—where the abuse of process has been so outrageous that it would break the principle of the rule of law for the conviction to stand. Although that means that a guilty person has to walk free, I am afraid that that is the price we all have to pay if there is an abuse by agencies of the state. It is wholly intolerable in any democracy that the ends should justify the means. Achieving the right balance is what we all seek to do. I applaud the manner in which

*[Mr. Straw]*

the Court of Appeal has sought to do that under the existing law, but I think that everybody accepts that the law should be recalibrated a little to improve matters.

**David Howarth** (Cambridge) (LD): I, too, welcome the Secretary of State's announcement of an intention to review clause 26. Just to be absolutely clear about what he just said, is he saying that the case of Mullen, which is the most well known of such cases, should still be decided the way it was?

**Mr. Straw:** Mullen was guilty on the facts of the serious terrorism charges against him, but there had been an egregious abuse of process. Instead of being extradited from Zimbabwe, as he easily could have been, he was subject to what is now euphemistically called extraordinary rendition by the Americans, which is otherwise known as being kidnapped, through co-operation between the local security agencies and ours, bundled on a plane and brought into the jurisdiction that way. Either we have an extradition process or we do not. Although we have all had to hold our nose over that case, it was right and proper of the courts to order his release in those circumstances.

I come to an issue that was raised by my hon. Friend the Member for Rhondda (Chris Bryant)—*[Interruption]*—who is still present in spirit, if not in his place. The Government have a strong record of promoting equality and of tackling discrimination and bigotry in all its guises. We have strengthened the sentencing framework, so that sentences can be increased where race, religion, disability or sexual orientation are aggravating factors. We have also introduced legislation to outlaw the stirring up of religious hatred, as my hon. Friend reminded the House. We have received many representations on the matter, and I am pleased to say that we will propose a further step to strengthen the protection afforded to homosexual people. It is a measure of how far we have come as a society in the last 10 years that we are all now appalled by hatred and invective directed against gay people, and it is now time for the law to recognise the feeling of the public. In Committee, we will table an amendment to extend the offence of incitement to racial hatred to cover hatred against persons on the basis of their sexuality. Homophobic abuse, lyrics and literature are every bit as abhorrent to those concerned as material inciting hatred based on race or religion, and have no place in our communities.

**Mr. John Redwood** (Wokingham) (Con): Like the Secretary of State, I have no time for abuse of any kind, or for violence of the sort that he wishes to outlaw. However, in my constituency I am receiving a number of representations from the Christian community, as, I am sure, are other Members. Will the right hon. Gentleman reassure the House that he will take full account of the wish to preserve freedom of speech for those expressing Christian views?

**Mr. Straw:** Yes. I too have received such representations. As with the provisions on incitement to religious hatred, we must be extremely careful to ensure that the law strikes a proper balance. I promise the right hon. Gentleman that my right hon. Friend the Minister of State, other Ministers and I are seeking to ensure that the drafting achieves that, and I hope it will then be examined very carefully in this House and in the other place to ensure that such a balance exists.

**Dr. Evan Harris** (Oxford, West and Abingdon) (LD): I join the Secretary of State in calling for the creation of such an offence—that is the manifesto position of my party—but as one who was involved in the wording of the religious hatred provisions that now exist, may I commend to him the wording on which the House settled in that context? I believe that, on the whole, it strikes the right balance between freedom of speech, ensuring that the offence must be intentional, and covering threatening language only.

**Mr. Straw:** The hon. Gentleman has given wise counsel. The starting point for the drafting of this measure is certainly the parallel example of the current provisions in respect of religious hatred.

**Andrew Mackinlay** (Thurrock) (Lab): I welcome the Lord Chancellor's announcement. Can he assure us that the provision will cover Northern Ireland?

**Mr. Straw:** It already does. I am very pleased to be in close association with my hon. Friend on this occasion, and to be able to give him complete and utter satisfaction.

**The Minister of State, Ministry of Justice (Mr. David Hanson):** I took the measure through the House.

**Mr. Straw:** My right hon. Friend the Minister took it through the House himself.

Of course concerns were expressed in Northern Ireland—one or two. The religious communities there are quite strong. However, I think that everyone is now reasonably relaxed about this important protection for a minority.

I want to hear views from the House, and from outside organisations, on whether the offence could or should be extended to cover hatred against transgender and disabled people. I cannot give commitments until I have seen the arguments—this is a complicated area—but I am ready to consider amendments to that end if a case can be made.

The whole House is agreed that we must do all that we can to provide the maximum protection for our children from predatory sex offenders. Members will recall that in June the Government announced the conclusions of a review on protecting children from sex offenders. A key action arising from that was to give responsible authorities that are within the multi-agency public protection arrangements—known by the acronym MAPPA—a positive duty to disclose information about convicted sex offenders to the public. We now propose to insert an amendment in the Bill which will do just that. We believe that there should be a presumption of disclosure to members of the public when MAPPA authorities consider that an offender presents a risk of serious harm to children.

Those who are victims of criminal acts and who seek to protect themselves or their communities should be treated with respect by the criminal justice system. There can be no justice in a system that makes the

victim the criminal. I know that this issue has been the subject of some intense contributions in the House, including private Members' Bills from Opposition Members. As I announced outside the House a couple of weeks ago, I want to look again at the law on self-defence to ensure that the focus is correct, and that those who act proportionately are not treated like criminals. My aim is to complete the review in time for the issue to be addressed in the Bill.

The Bill contains, in part 11, one immigration provision. The freedoms that we enjoy in this country should never be abused. The new special immigration status will ensure that foreign criminals and terrorists who cannot be deported cannot expect a settled status in this country.

**Mr. Philip Hollobone** (Kettering) (Con): Given that this is called the Criminal Justice and Immigration Bill, is it not disappointing that it contains no provisions to close the loophole whereby if illegal immigrants are apprehended by the police, the police are directed by the Home Office to dispatch those people so that they can proceed under their own steam to immigration centres in either Liverpool or Croydon? In Northamptonshire recently, 16 illegal immigrants were detained by the police but then released to make their own way to the immigration centres. Local people were rightly outraged, and they will be outraged that the Bill contains no provisions to correct the position.

**Mr. Straw:** I understand the concern that the hon. Gentleman has raised, but the issue is better addressed in the UK Borders Bill, which relates to the powers of the immigration authorities and which is currently before Parliament. I hope that the hon. Gentleman will find an opportunity to debate the issue, and to ensure that he is given a proper answer. I will take up what he said with my right hon. Friend the Home Secretary.

**Lynne Jones** (Birmingham, Selly Oak) (Lab): I am concerned that my right hon. Friend has not mentioned proposals to amend the Street Offences Act 1959. I want to record my disappointment that there has been no opportunity for a comprehensive review of the laws on prostitution. What happened to the proposal in the 2006 White Paper to amend the definition of a brothel to allow two or three individuals to work together?

**Mr. Straw:** I do not know the precise answer to that question. I shall allow my right hon. Friend the Minister to deal with it when he winds up the debate.

**Several hon. Members** *rose*—

**Mr. Straw:** I want to end my speech now.

I think that the provisions in the Bill are sensible. We are always open to suggestions on measures such as this, and although there may not have been the comprehensive review for which my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) has called, there has certainly been a significant and substantial review of the law in this area. I think that even what are seen as relatively minor changes ending the way in which prostitutes are described as "common prostitutes" rather than as persons, in an attempt to dehumanise people who deserve our sympathy as much as our condemnation—if not more—represent a sensible way of proceeding. However, if suggestions are made that we can accommodate in the Bill, we shall seek to do so.

I have not been able to deal with the whole Bill, because I was very conscious that we had begun two hours later than is normal and that other Members would wish to speak in this foreshortened debate, but I hope very much that the Bill is given an unopposed Second Reading. If that happens, it will at least mean that Opposition Members have gradually learnt something as they enter their 11th year of opposition. The range of issues on which they have opposed measures for the sake of it has been extraordinary, and removes from them any possibility of not just claiming to talk tough—which they do all the time—but claiming that they will act tough when it comes to criminal and antisocial behaviour.

Meanwhile, there is always room for people to be converted and to see the light. I look forward to hearing, in a second, the hon. Member for Arundel and South Downs applaud the fact that whereas crime doubled under the last Administration, under this Administration—with 20,000 extra prison places and increased investment in the police—crime has been cut, whichever way we look at it.

6.19 pm

**Nick Herbert** (Arundel and South Downs) (Con): I congratulate the Lord Chancellor on introducing his first criminal justice Bill in his new role. He has a hard act to follow—in fact, he has at least 35 Acts to follow. That is how many pieces of legislation on criminal justice and immigration we have had already from the Government.

How much this Bill will add to that we will come to debate, but at least we know what it will subtract. Part 1 will scrap the plethora of orders introduced by the Powers of Criminal Courts (Sentencing) Act 2000, including the action plan order, the attendance centre order, the curfew order, the exclusion order, the supervision order and the youth community order—the Government's own provisions and they lasted seven years.

Clause 10 will repeal section 189 of the Criminal Justice Act 2003 and remove the right of magistrates to suspend jail sentences. That provision lasted just four years. However, this Bill goes further than repealing the Government's recent laws. It repeals Bills that have not even been passed. Schedule 23 will repeal schedule 21 of the Legal Services Bill, which has not even been passed yet and which we will consider next Monday. The Lord Chancellor already wants to repeal it—he has told us today that he is already reviewing clause 26 in relation to criminal appeals in this Bill.

What a farce. Not only does the Bill repeal the Government's own legislation but it repeals parts of Acts that have not yet been fully implemented. Rather than curtailing magistrates sentencing powers in clause 10 of this Bill, perhaps the Lord Chancellor could implement section 154 of the Criminal Justice Act and give magistrates the power to sentence offenders to a year in jail. That was what Labour promised. They legislated for it and under the last Home Secretary they broke that promise.

**Mr. Straw:** The hon. Gentleman is making a rather forced point about clause 26. Can he explain what his point is? We put out a consultation paper. There was consultation on it. The particular drafting of the clause did not find favour. Is he therefore condemning us for listening to the consultation? If not, what is his point?

**Nick Herbert:** The point is quite straightforward: it is a good idea to do the consultation before one legislates. That is the purpose of it. It is certainly the case that the majority of respondents to the Government's consultation paper opposed that provision. In fact, the Government said that a majority of the legal correspondents, as they are called, opposed it. Let us have a look at how many other respondents there were. The legal correspondents included a number of important bodies, including members of the judiciary, the Criminal Appeal Lawyers Association and the Criminal Bar Association; I could go on. The members of the public, and we do not know what their views were, included someone called Trev. The majority of the respondents, as the Government have said themselves, have rejected the provision. The question is why the Government have introduced a criminal justice Bill before the end of the Session, which they intend to carry over—they originally intended to debate it in June—when they have not consulted properly on the measures in it. That was the point that I was seeking to make.

**Stephen Hesford** (Wirral, West) (Lab): Did the hon. Gentleman take part in the consultation exercise on quashing convictions—yes or no?

**Nick Herbert:** We did not take part in the consultation exercise. I do not think that, with the number of eminent legal authorities that responded, it was necessary for us to do so. There has been an overwhelming rejection of the proposals in the consultation paper.

This is a typical Christmas tree Bill where the Government are certain that they wish to legislate about something but are not sure what. We see the same with the Government's proposals in relation to the Flanagan report. The Lord Chancellor said nothing about that. Originally, the Prime Minister said that this Bill was to provide the vehicle for measures relating to police efficiency that would arise as a result of the Flanagan report. Why did not the Lord Chancellor tell us what those measures will be?

**Mr. Straw** *rose—*

**Nick Herbert:** Perhaps he can tell us now.

**Mr. Straw:** I will tell the hon. Gentleman why I did not talk about that. I thought that Madam Deputy Speaker might rule me out of order if I started to talk about things that were not in the Bill, rather than about things that were in it.

**Nick Herbert:** The Lord Chancellor talked incessantly about things that were not in the Bill. The Prime Minister, when he talked about the pre-legislative programme, specifically said that, if Flanagan recommended measures that would improve police efficiency, they would be added to this Bill. As a result of the Flanagan review of police efficiency, can the Lord Chancellor now tell us what measures will be brought forward in amendments to the Bill? The Government have had the interim report, but they are unable to tell us what measures may be added to the Bill in later amendments.

**Mr. Straw:** I am grateful to the hon. Gentleman for giving way but it seems blindingly obvious. We only got the Flanagan report about three weeks ago. It was an interim report. We have not had the final report, which is not due till the new year. The chances of any provision from that being included in this Bill are extremely unlikely.

**Madam Deputy Speaker (Sylvia Heal):** Order. May I remind all right hon. and hon. Members that we are discussing the Bill that is currently before the House?

**Nick Herbert:** Indeed. Part of the problem is that we do not yet know what will be in the Bill. Although the Prime Minister has promised legislation in relation to policing, we have no idea what that legislation will be.

Since the Government came to power, more than 3,000 new offences have been created, 430 of them by the Home Office. The creation of 3,000 new offences works out at a new offence for almost every day that Labour has been in power, and it is twice the rate seen under the two previous Conservative Administrations. I have lost count of the number of new offences in this Bill. *The Guardian* reports that it is 19. Perhaps one of the Ministers sitting on the Government Benches could do something useful, count them and let us know at the end of the debate. The Bill was published on the eve of the departure of Tony Blair, the previous Prime Minister, from Downing street. There could be no more fitting tribute to him or to the legislative incontinence that has characterised 10 years of this Government.

I hesitate to mention ICM's poll in the *News of the World* yesterday. I appreciate that it may be in poor taste and that that poll had no impact at all, of course, on the Prime Minister's courageous decision not to call an early general election. However, that poll showed that 63 per cent. of voters in marginal seats think that the Government have done a bad job on law and order, and only 30 per cent. think that they have done a good job. More than half of Labour voters said that the Government had done a bad job. There have been 35 Bills, 3,000 offences have been created, but two thirds of voters say that the Government have done a bad job. Do Ministers by any chance think that those facts are related? Perhaps they should listen to the Law Society, which said in a briefing on the Bill that it

> "strongly believes that the criminal justice system is suffering from 'change fatigue', and that new legislation, particularly that creating additional criminal offences or alternative ways of dealing with people who have re-offended, can be counterproductive if it unnecessarily results in the wastage of scarce resources".

**Mr. Hanson:** Can the hon. Gentleman tell me whether he is going to vote against the Bill this evening?

**Nick Herbert:** I am afraid the Minister of State will have to wait and see, if he can bear the tension.

Alongside the successive criminal justice Bills, we have seen a succession of sentencing reviews and a constantly shifting sentencing framework. There are

other sentencing reviews now in train that the Bill does not take into account, including the review on indeterminate sentences, which the Lord Chancellor has announced, but has not confirmed to the House.

Let us dwell briefly on the elements of the Bill that we can agree on. In relation to the pornography offences, we support the principle of clause 64, which implements measures to combat possession of images that are both extreme and pornographic. We also support the principle behind clause 67, which relates to the penalties applied for possession of extreme pornographic images, and clauses 68 and 69 relating to indecent photographs of children. As usual, we will need to look at the drafting, but the whole House will share a determination to protect children from paedophilia and society from images that could provoke violence. I pay tribute to my hon. Friend the Member for Mole Valley (Sir Paul Beresford), who has worked tirelessly to promote more robust action in relation to those issues.

We also support the principle of clauses 104 to 106 regarding a new offence of causing nuisance or disturbance on NHS premises and the powers to remove offenders from hospital premises. However, given that that measure will not apply to patients who are violent towards NHS staff, we will have to look in due course at how effective that will be in practice and whether it affords nurses and other NHS personnel the protection that the whole House believes they deserve.

We also support the creation of the prisons commissioner, so long as the commissioner has the power to recommend criminal sanctions akin to those in the Corporate Manslaughter and Corporate Homicide Act 2007 against the Prison Service and other state agencies that are charged with the custody of individuals, and so long as his appointment is not a ground for delaying the implementation of the Corporate Manslaughter and Corporate Homicide Act.

We will look carefully at the proposed offence of inciting homophobic hatred because clearly there are important considerations striking the right balance between protecting free speech and a desire to protect gay people from hatred. We will debate the provisions in Committee once we have seen them.

The core purpose and effect of the Bill is confused; will the Bill send fewer people to prison or more people? Clause 16 proposes to limit recalls to prison to 28 days, provided the Secretary of State is satisfied that the prisoner will not present a risk of serious harm on release. The Government say that the measure will save 1,000 prison places, but we are opposed to it in principle. We want a more effective process for recalls, but we believe that offenders who breach their conditions should expect to return to prison to serve out the rest of their sentence.

The Bill also abolishes the power of magistrates to suspend custodial sentences, and again we oppose this interference with judicial discretion. The crimes in question have passed the custody threshold. Before even considering a suspended sentence, the magistrate must decide that a final probation would be insufficient. If they cannot suspend the sentence, they will have to jail the offender.

There is another concern; a provision that is intended by the Government to reduce the prison population could have the opposite effect. The National Association of Probation Officers has warned that the abolition of the power is justified on the grounds that some magistrates use it instead of fines or unpaid work. Nevertheless, there is a real risk that many magistrates will impose custody instead of suspension and the association goes on to predict that it will increase the prison population by 1,000.

**Philip Davies**: My hon. Friend is making a typically powerful case. Does he agree that the Bill has more to do with digging the Government out of a hole of their own making—not providing enough prison places—rather than their doing the right thing that our constituents would like to see?

**Nick Herbert:** I strongly agree. The prisons crisis, to which I shall refer, is one entirely of the Government's own making; for 10 years they have ignored the warnings that the rise in the prison population would outstrip the provision of prison places. The Bill is an inadequate response to that crisis and my hon. Friend is absolutely right. On the one hand, we have measures that the Government claim are intended to reduce the prison population—partly in response to the prison overcrowding crisis—but which many experts are claiming will increase the prison population. On the other, we have measures that the Government admit will increase the prison population.

According to the National Association of Probation Officers, the violent offender order, to which I shall return shortly, will add at least 4,000 to the prison population. The Government's own regulatory impact assessment says that breaches of the violent offender orders will have an impact equivalent to approximately 20 places a year. There is an extraordinary discrepancy between these two figures. We need to bear in mind that the Government failed woefully to predict the impact of their own indeterminate sentences.

During the Committee stage of the Criminal Justice Bill 2003, the right hon. Member for Leeds, Central (Hilary Benn) predicted that indeterminate sentences would require an additional 900 prison places. The number of people in prison serving indeterminate sentences since then is already at two and a half times that number. In April this year, the figure was at over 2,500, just two years after that sentence was introduced. The Prison Reform Trust has estimated that 12,000 people will be serving indeterminate sentences for public protection by 2012. The gaping hole that is not filled by the Bill and the issue that the Lord Chancellor signally failed to address is that the prisons are full, to bursting point. On Friday, we saw prison numbers rise for the second successive week to a record high.

The Government's policy of early release—under which 25,000 criminals are to be released 18 days early on to our streets, under which 6,000 criminals have so far been released, 1,000 of whom were violent offenders and under which many of those have gone on to commit offences while released—has saved only 1,200 prison places. It has been a failure.

**Mr. William Cash** (Stone) (Con): On foreign criminals who require deportation, does my hon. Friend agree that another gaping hole in the Bill is set

*[Mr. William Cash]*

out in the explanatory notes relating to the Human Rights Act? Unless the Human Rights Act is repealed, a coach and horses will be driven through the Bill in relation to such matters. In respect of the framework decisions applying European Community law, the best thing to do would be to include in the Bill a provision that says "notwithstanding the European Communities Act 1972 and the Human Rights Act 1998" and then to legislate. We could then bring these important decisions back to the House on behalf of the electorate, something that the Government are refusing to do. They are in fact making it worse under the absurd reform treaty, which is completely constitutional.

**Nick Herbert:** I agree. That is another gaping hole at the heart of the Bill and I will turn to that issue in a second.

Some 17,000 prisoners are now doubling up in cells, twice as many as when the Government came to power. Nearly a quarter of the entire prison population is housed in cells designed for one fewer person. We have just seen the obscenity in the 21st century of a wing of a prison in this country closed because of sewage and rat infestation. There has been a huge increase in suicides in our prisons and, contrary to the Minister of State's claim, that increase in prison suicides this year far outstrips the rise in the jail population. The Government's own figures show that suicides are far more likely in overcrowded jails and that an inadequate number of new prison places will not keep pace with the rising custodial population.

There needs to be proper accountability for deaths in custody and the fact that the Government resisted their own corporate manslaughter legislation in relation to prisons and police cells—eventually only accepting it with a delay of years—demonstrates that Ministers know there is a serious problem but have been unwilling to take the steps to deal with it.

These are the issues that we will address when we come to consider a provision in the Bill that we welcome—the appointment of a commissioner for offender management and prisons. The Government, frankly, have simply stood by and watched as the prisons have filled up. On 24 July, the Minister of State conceded that

"it is clear that a gap remains between the number of new places and the forecasted rise in the prison population."—[*Official Report*, 24 July 2007; Vol. 463, c. 755.]

They know there is gap but they are refusing to tell us what they are going to do about it and they are producing a Bill that will increase the prison population in spite of that.

The Ministry of Justice's median projections of future prison population show that there will be 12,370 new prisoners by 2012, but only 9,500 new prison places by the same date. That is a gap of 3,000. If all of the measures in the Bill were implemented, those measures increasing the prison population would, on the Government's own estimate—it is wildly behind the forecasts of the National Association of Probation Officers—add 49. Those that would reduce the prison population would subtract 1,100. According to the Government's own figures there remains a serious gap in the projected prison population that is not addressed by the Bill, even on its own terms.

We need a coherent strategy to address the crisis, but what we get is political grandstanding. Part 11 of the Bill concerns itself with foreigners who commit crimes in Britain. On 25 July, the Prime Minister told *The Sun*:

"If you commit a crime you will be deported. You play by the rules or you face the consequences...I'm not prepared to tolerate a situation where we have people breaking the rules in our country when we cannot act."

Then, two weeks ago in Brighton, the Prime Minister said:

"But let me be clear: any newcomer to Britain who is caught selling drugs or using guns will be thrown out. No one who sells drugs to our children or uses guns has the right to stay in our country."

However, today in his press conference the Prime Minister made it clear that he was talking only about newcomers to this country.

First, we were told that all foreign criminals would have to be deported, then we were told that it would be drug dealers or gun criminals, and now the Prime Minister confirms that he is in fact talking only about people who have yet to visit this country. The Prime Minister simply does not understand the damage that that kind of spin has done to politics and his own Government—not only over the past 10 years, but, specifically, in the last two weeks.

The Prime Minister knows that he cannot remove thousands of foreign criminals from our country, not least because Labour's own laws prevent it. He could not even deport the murderer of Philip Lawrence because of an EU directive, which the Lord Chancellor negotiated, and the Human Rights Act, which the Lord Chancellor introduced. That is why we say that one of the major flaws in relation to this Bill, which is intended to deal with the issue of foreign prisoners in our country, is the HRA itself. That is why we have said that the HRA should be scrapped, and replaced by a British Bill of Rights and responsibilities that would enable us to take the necessary action against, for instance, those who commit acts of terrorism.

**Dr. Evan Harris:** Will the hon. Gentleman clarify whether it is his intention to resile from the European convention on human rights, and if not, what would be achieved, except in terms of slowness of justice, of simply repealing the HRA, which puts the European convention into UK law? Is it the hon. Gentleman's intention to resile from the ECHR?

**Nick Herbert:** No, it is not our intention to resile from the ECHR. It is not us who proposed that. The former Home Secretary, the right hon. Member for Airdrie and Shotts (John Reid), proposed that—he did so in this House on 24 May. As the hon. Member for Oxford, West and Abingdon (Dr. Harris) knows perfectly well, the argument is that if we were to have our own British Bill of Rights, the convention would be reinterpreted accordingly and the margin of appreciation would allow us to take more action against those who threaten our country.

**Mr. Straw:** I must say that the hon. Gentleman has a lot of learning to do on the margin of appreciation and Strasbourg. He is implying that in the Chindamo

case—he is still locked up, and will, I think, remain so for quite some period to come—had there been a new Bill of Rights and responsibilities all the problems of getting tribunal agreement to deport him would have disappeared. At the same time, the hon. Gentleman is blaming an EU directive. If he reads the tribunal judgment, he will see that the ECHR was a subsidiary and minor issue, and that the key issue was to do with EU directives that had been extant for decades although they were consolidated and updated to similar effect in 2006. Is the hon. Gentleman therefore saying that those provisions, which are binding in EU law, would also be abrogated by a future Conservative Administration?

**Nick Herbert:** Let me make two points to the right hon. Gentleman. First, his successor the aforementioned former Home Secretary reaffirmed as recently as last month that he thinks that the HRA is an impediment to our ability to deal with terrorism. Secondly, the right hon. Gentleman correctly refers to the directive in the Chindamo case, but he negotiated it and it was an impediment to removing Chindamo not to some country where he might be tortured but to a country in the EU. He should have ensured in negotiating that directive that we could deal with people whom we do not wish to remain in this country because they have committed serious offences—in this case, a brutal murder. After all, the Prime Minister has promised that; he has told the country that he would ensure that any foreigner committing an offence would be removed from this country. If the Lord Chancellor is now saying that that is not possible, perhaps he would like to explain to the Prime Minister why he is wrong.

**Mr. Cash:** Does my hon. Friend agree that the crucial question—the test—is whether our judiciary will obey legislation from Westminster or from Europe in matters that affect vital national interests? It is clear from his excellent speech that my hon. Friend has understood the nature of the problem, and I believe that the margin of appreciation, as he put it, will be appreciated by the Lord Chancellor—if I can use that term because I am not sure whether the right hon. Gentleman is the Lord Chancellor or the Secretary of State for Justice. Perhaps he can enlighten us on that.

**Nick Herbert:** Other jurisdictions have a greater ability to deal with such matters because they have constitutions that frame people's responsibilities as well as their rights and that enable them to deal with terrorist suspects. We should also have that; that is what the former Home Secretary said. That is also what the Prime Minister implied when he said we should have the ability to deal with such issues. However, the reality is that, behind the spin, it is clear that the Government have no intention whatsoever of moving on this issue.

Let us look at another issue in relation to this Bill on which the Government have been grandstanding. The Minister of State, the right hon. Member for Delyn (Mr. Hanson), said about this Bill in a news release of 26 June that it builds on reforms

> "to rebalance the system in favour of the victim and the law-abiding majority",

to which I say, "Hear, hear." The Lord Chancellor said two weeks ago that he would review the law to ensure that people can defend themselves from attack without fear of prosecution, but the right hon. Gentleman was this Government's first Home Secretary and in four years he did nothing. On the "Today" radio programme he gave a deeply unconvincing explanation of why that was:

> "Indeed and let me say that I wanted and was very interested in changing the law and...other matters intervened and then I...I was moved on and indeed I wish I had...".

We repeatedly urged a change in the law so that people could protect themselves from intruders in their homes. The right hon. Gentleman and his party colleagues fought us on that idea year after year. Indeed, in 2000 the right hon. Gentleman dismissed out of hand calls from my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) to give greater protection to home owners who use self-defence against burglars. The last time the Government grabbed a headline by signalling a change in the law they reneged on it within weeks.

**Mr. Marshall-Andrews:** Will the hon. Gentleman give way?

**Nick Herbert:** In a moment. That is the worst kind of cynical politics, and it is exactly what turns people off.

Nevertheless, let us take the Lord Chancellor at his word. He promised an

> "urgent review of the law on self defence...aimed at ensuring that those who seek to protect themselves, their loved ones and their homes, as well as other citizens, have confidence that the law is on their side."

So I can tell the Lord Chancellor that when the Bill is in Committee we will re-table the provisions for which we have fought for years to give that greater protection to people who seek to protect themselves against burglars. I would be delighted if the Lord Chancellor would intervene on me now to say whether, in view of what he said at the Labour party conference, he will support that amendment. Go on, have a go, Jack.

**Mr. Straw:** I am delighted to respond. I would have thought that the hon. Gentleman would be pleased that the matter has been further considered. Let me say that I never dismiss out of hand suggestions for changes in the law on this issue, but there were good reasons why I judged that it was not possible to proceed in 2000.

The proposals contained in two private Members' Bills need some changes in their wording, and I will be happy to sit down with the promoters of those Bills—I was intending to do so—as part of the consultation process, with a view to tabling amendments on Report and to see whether we can reach a consensus. The specific wording, which I have carefully examined, does not quite meet the need, but I am always open to argument.

**Nick Herbert:** Let me tell the Lord Chancellor that there will be no problem reaching agreement if he can persuade himself and his colleagues that the law needs to be changed, but the fact is that we have been arguing for this for the past 10 years and he and his colleagues have consistently argued against it. We look forward to the proposals which he now suggests he will bring forward in amendments to this Bill. We will hold him to the words that he used when he talked about the need to protect those who defend themselves.

*[Nick Herbert]*

Let us look at what should have been in this Bill. This is a Criminal Justice and Immigration Bill—what relation it bears to a UK Borders Bill that, in some respects, covers much of the same territory is another debate—but the one thing that the vast majority clearly want is not in here: a limit on economic immigration. We have said that we want the right people and the right number of people coming to Britain, which is why our policy is that there should be an annual limit on the number of economic migrations to the UK. However, we have another immigration Bill that does not set that limit.

We have said that there should be a policy of honesty in sentencing. The fight against crime depends on integrity in the criminal justice system and on courts that deliver swift, effective justice, with punishments appropriate to the crime and the criminal. In the Criminal Justice Act 2003, the Government introduced automatic release on licence halfway through the sentence for all determinate sentences of longer than 12 months. Combined with the early release scheme, this means that an offender sentenced to a year in jail is usually out after little more than five months. The policy amounts to a deliberate dishonesty. It damages the trust that victims and wider society place in the courts, and it encourages criminals to hold the system in contempt.

If this were our Bill, we would introduce provisions to restore honesty in sentencing, in order to reassure victims and leave criminals in no doubt that justice is done. We would ensure that convicted criminals served the full sentence handed down to them by the judge. Our purpose in this respect is not to increase the length of sentences; rather, we believe that judges should hand down minimum, as well as maximum, sentences, with no possibility of parole until the minimum has been served.

**Mr. Hanson:** Will the hon. Gentleman give way?

**Nick Herbert:** Just wait a second, please. The Lord Chancellor's preposterous suggestion that this policy would increase the prison population by 60,000 is clearly based on the fact that he has not read what we said. Given that we have not said what the minimum and maximum should be, there is no way that he can calculate what the increase in the prison population would be. All that we have had is a series of increasingly fanciful projections from the Lord Chancellor about what the increase in the prison population might be under an alternative Government. One day it is 60,000; another day it is 320,000. Instead of spinning in this way, he should address the serious overcrowding problem in his jails; he has to decide what he is going to do about that. It seems that this Government have learned nothing from the last week—from the spin that has so damaged them.

**Mr. Hanson:** I am interested in what the hon. Gentleman is saying. I would really like to know what his assessment is of the extra prison places required in the event of individuals serving a full sentence. It is clearly not possible to have a discounted sentence under current regulations and not add to the prison population.

**Nick Herbert:** We have made it clear that the purpose of the policy is to introduce honesty in sentencing. The Government seem to have no understanding of the damage that is done and the crisis in public confidence that is engendered when people serve very short prison sentences, particularly when the victims have heard in court that the sentence would be handed down in full. It amounts to an institutional lie, and it needs to be dealt with.

**David T.C. Davies:** Will my hon. Friend the shadow Minister accept the good wishes of the many victims of crime I know who have formed an organisation called "stop all forms of early release"? They include the parents of murder victims and the rape victim Gabrielle Browne, who publicised her own story in the London *Evening Standard* because she was so angry that the person who had raped her had been let out of jail early. Does the Minister of State not agree that it is high time that prisoners serve the sentences given to them by the courts? Does he not also agree that this policy would not only save money in the long run, but would save people like Gabrielle Browne from being raped by people who have been let out of prison early?

**Nick Herbert:** The disgrace of this Government's management of the prison system—

**Mr. Straw:** Will the hon. Gentleman give way?

**Nick Herbert:** No; let me answer my hon. Friend first, please. The disgrace of this Government's management of the prison system is not just the overcrowding over which they have presided, their failure to rehabilitate criminals and the consequential rise in recidivism rates, but their willingness to pioneer alternatives to custodial sentences for criminals who simply should not be in receipt of them: violent criminals who have then gone on to commit really serious offences. What do the Government have to say to the victims of these crimes, who have suffered really serious violence at the hands of criminals who should have been in custody, but who were released purely because the Government failed to manage prison places according to their own predictions?

**Mr. Straw:** We are all trying to follow with care what the hon. Gentleman has just committed his party to. Let us take the example that he used of someone who is currently sentenced to 12 months in prison, but who, under the 2003 Act, will normally serve 50 per cent. of that, which is six months. Is the hon. Gentleman saying that, under his proposals, that same prisoner would in future serve 12 months in prison, or six months?

**Nick Herbert:** We have said that we will fundamentally review sentencing, so that we introduce bracketed sentences with a minimum and a maximum. It will then be for the authorities to decide at what point people are released, between the minimum and the maximum. That introduces honesty in sentencing, because those individuals could not be released until they had completed the minimum term. That is in contrast with this Government, who instituted release at the halfway point of a sentence, and who have also presided over an early release scheme that ensures that 25,000 offenders will be released 18 days early. That is

the institutional lie that affects our sentencing and has undermined public confidence in sentencing. It is that which we seek to redress through a policy of honesty in sentencing, so that there is no possibility of parole until the minimum sentence is served.

**Mr. Hanson:** Will the hon. Gentleman give way?

**Nick Herbert:** No. I have dealt with that point enough.

I want to focus on two other serious omissions from this Bill, the first of which I have already referred to. During the statement of 11 July on the Government's legislative programme, the Prime Minister said:

> "We stand ready to introduce new measures into the Criminal Justice Bill, which will be carried over into the next Session, including measures that come from the review of policing by Sir Ronald Flanagan, which will report later this autumn."—[*Official Report*, 11 July 2007; Vol. 462, c. 1451.]

The Lord Chancellor's response was not adequate in this respect. When the Minister of State responds, perhaps he can tell us which proposals in Sir Ronnie Flanagan's review of policing, which was intended to reduce police bureaucracy, will be carried into the Bill by way of amendments. We would have proposed abolition of the stop form—it takes police officers several minutes to complete, and we regard it as a significant impediment to their ability to interact with the public—and the wholesale reduction of central targets. I doubt very much whether we will see those measures, but the fact is that the Lord Chancellor would not confirm the introduction of any measures on policing, despite the promise that the Prime Minister made as recently as July.

The other absence from the Bill is any consideration of the impact of the Government's summary justice programme, under which whole swathes of cases have been taken out of the magistrates courts altogether and are now being dealt with by police officers by way of cautions and fixed penalty notices. They are counted as offences brought to justice, even when those notices are not paid. That policy is consistent with an underlying feature of this Bill that has characterised many other criminal justice Bills that this Government have brought before the House: a cavalier approach to the civil liberties that this House should be protecting.

We have seen proposals for ending the discretion of the Court of Appeal to quash convictions, and the criticism of them by the legal profession, not least the Law Society. In the light of that, the Lord Chancellor has conceded that he will reconsider the drafting of that provision. There are also violent offender orders—the latest in a line of quasi-criminal measures that started with antisocial behaviour orders, and which continued with control orders and serious crime prevention orders. Those orders deliberately blur the line between the criminal and civil law. Their effectiveness—especially in the case of ASBOs, half of which are breached—must raise great concern about whether violent offender orders will be similarly robust. Such orders effectively use the civil law to criminalise people while sidestepping the job of any Government, which is to ensure that they have a legal framework to deal properly with offenders.

There is also the arbitrary cap on compensation for miscarriages of justice, which is set out in clause 62. Finally in relation to civil liberties, there is a proposal for the extension of conditional cautions to juvenile offenders—conditional cautions under which prosecutors will be able to impose a punishment with no involvement by the judiciary, which is a fundamental breach of the judiciary's role in sentencing people.

The fundamental problem at the heart of this Christmas tree Bill is that it contains a rag-bag of ineffective measures, including some that are cavalier with the civil liberties that we are here to protect.

**Mr. Nick Hurd** (Ruislip-Northwood) (Con): My hon. Friend talks passionately about the need to re-establish the credibility of the courts. Does he think that the credibility of magistrates courts would be enhanced or undermined by clause 58, which is designed to extend the powers of non-legally qualified staff to conduct trials in magistrates courts?

**Nick Herbert:** My hon. Friend is right. The Law Society has expressed grave concern about those provisions and we will have to examine them very closely in Committee.

**Martin Salter**: Has the hon. Gentleman read the report from the Modernisation Committee, which has been backed up by guidance from Mr. Speaker, that Front-Bench speeches on Second Reading should be no longer than 20 minutes plus interventions? The hon. Gentleman has just bored both sides of the House and constrained many hon. Members from representing their constituents in this debate.

**Nick Herbert:** I have read that recommendation, but the hon. Gentleman should have a word with the Lord Chancellor to stop him intervening on me quite so much. However, he will be relieved to learn that I am coming to an end.

The Bill is a tired repetition of the same failed approach by the Government. We have had 35 Bills and endless tinkering with the criminal justice process, 3,000 new offences, and civil liberties eroded, but violent crime has doubled and reoffending soared. Of those discharged from prison, 65 per cent. now reoffend, compared with 59 per cent. when this Government came to power. Among young people, the recidivism rate is even higher. Reoffending now accounts for more than half of all crime. That is a measure of the success of this Government in dealing with crime and of their endless criminal justice Bills. We desperately need a new approach, but sadly it is now clear that we will not get it for at least two years.

**Several hon. Members** *rose*—

**Madam Deputy Speaker:** Order. I remind all right hon. and hon. Members that Mr. Speaker has imposed a time limit of 10 minutes on Back Benchers' speeches.

7.3 pm

**Keith Vaz** (Leicester, East) (Lab): I promise to be briefer than the hon. Member for Arundel and South Downs (Nick Herbert)—obviously, as I am subject to the 10-minute limit—but I am delighted to be asked to

*[Keith Vaz]*

participate in the debate. I wish to use the opportunity to raise issues related to the new special immigration status, intermediate sentences and compensation for victims of miscarriages of justice.

The House has waited 11 months since the Gracious Speech of 15 November last year, when the Government's intention to reform the criminal justice system was first announced. In some respects, it was as a result of the new threat facing this country. Since that time, Britain has faced serious attempted terrorist attacks, on 29 and 30 June this year, which if successful could have killed hundreds of innocent people. As the Prime Minister mentioned in his statement to the House on 25 July, the issue of pre-charge detention periods will be looked at again. That is why I am glad that the Metropolitan police commissioner, Sir Ian Blair, will give evidence to the Home Affairs Committee tomorrow.

The concept of the Bill goes back to the Home Office report "Rebalancing the criminal justice system", published in July 2006 as part of the Government's commitment to better empower our police and probation services to protect the public from violent offenders and antisocial behaviour. Since then, the organisation of the Departments with responsibility for our criminal justice system has undergone significant change. We now have the new Ministry of Justice, headed by my right hon. Friend the Lord Chancellor, with responsibility for criminal law, sentencing and prison management, and a Home Office dedicated to policing, national security and managing immigration. Of course, the Bill cuts across both Departments.

Despite the fact that crime has fallen consistently under this Government, there remains a perception, which has been highlighted over the summer, that crime committed by violent and serious offenders is an increasing threat to law-abiding citizens. I know that hon. Members on both sides of the House would wish to express their sincere sympathies with the families of those killed recently in tragic and high profile cases. Rhys Jones was only 11 years old, walking home from a football match, when he was viciously gunned down by a youth on a bicycle. Only last week, Magda Pniewska, a Polish care worker—one of a number of migrant workers supporting our health service—was shot dead in crossfire between two men.

Such cases are clearly uncommon in British society, which is why they have caused such great revulsion and attracted so much attention. They raise two different issues regarding the management of our criminal justice system. The first is how we prevent people from falling into a life of crime and better support the work of our police service in carrying out effective policing and preventing such crime. The second, which the Bill seeks to address, is how to ensure that our criminal justice system has a serious reputation for properly punishing the most serious, persistent and dangerous offenders. When those crimes are committed by foreign nationals, how do we ensure that they no longer remain a threat to British society?

It is my strongly held belief that immigration, properly managed, has been a great benefit to this country. Migrant workers have been of great importance in sustaining the longest period of continuous growth this country has witnessed. From the old Commonwealth and now from eastern Europe, workers such as Ms Pniewska are providing the backbone of our health and public services. Without them, Britain would be a less dynamic, less efficient place. That is why I am concerned whenever we see headlines, based on anecdotes, that claim that immigrants have brought crime and violence to our country. Such sensationalism creates real, although largely unwarranted, public anxiety.

If such headlines are combined with reports that because of our obligations under the European convention on human rights—fanned only this evening by the hon. Member for Stone (Mr. Cash), who is no longer in his place—our Government are powerless to remove foreign criminals, there appears to be a real crisis in the system. The Bill, in clauses 115 to 122, seeks to address those concerns by the creation of a special immigration status. That status would permit the offender to lawfully remain in the UK, but would not grant leave to enter or remain. Once people were designated with the new status, the Government could impose conditions on their residence or employment. I do not object to the purpose of these clauses, but I urge the Government to consider seriously whether the proposals are necessary given the strong concerns that many groups have expressed, with some of which I am in sympathy.

In managing convicted foreign criminals, I am not sure that it is in the interest of the Home Office to add yet another immigration status for it to manage and cost. I am aware of reports from Justice that the new status would cost another £1.1 million to administer over the next three years. The Bill's criteria for designating individuals with special immigration status are also remarkably broad. The intention of the new status is to target "terrorists and serious criminals", but I am concerned that under the current criteria foreign individuals who pose absolutely no threat to this country would be encompassed by this legislation. That would unnecessarily dilute the Government's rightful concentration on the more serious criminals.

I also ask the Government to look closely at the Bill's power to impose restrictive conditions on those with special immigration status. I would welcome the Minister's providing more detail on what types of condition could be imposed.

At the top of the public's agenda is the issue of sentencing and sentencing guidelines. Based on what the Lord Chancellor has said this evening, I very much hope that when he gives evidence tomorrow to the Select Committee on Constitutional Affairs he will outline the further steps he intends to take on the issue of intermediate sentences.

Finally, I want to address the provisions on compensation for individuals who have been the victim of a miscarriage of justice. On 24 March 1986, my constituent, Malde Modwadia, was wrongfully convicted of obtaining property by deception. When that conviction was quashed under section 133(4) of the Criminal Justice Act 1988, he applied for an assessment in respect of loss of income and the compensation due to him for false arrest and conviction. Under the Bill's proposals, there will be a cap on the amount of compensation granted to people who have been the victim of a miscarriage of justice. It is extremely important that we look carefully at those provisions, because when a person has been in prison

for as long as my constituent, who actually lost his status as a doctor as a result of wrongful conviction, they should be properly compensated.

In conclusion, I warmly welcome the Bill as a step towards a safer society. The Government have achieved much in the fight against crime and although there is disagreement between the Library, which says that 60 criminal justice Bills have been passed, the hon. Member for Arundel and South Downs, who says that the number is 35, and the Lord Chancellor who says that 30 Bills altering our criminal justice system have been passed, the fact remains that there have been a lot of Bills dealing with the issue over the past 10 years. It is not enough to legislate, however; we have to carry people with us. Every citizen is a stakeholder in ensuring a nation, a community and a street without crime. Opposition spokesmen in particular use the words "zero tolerance" about dealing with crime, but zero tolerance should not be a statement or philosophy imposed on individuals; it should be a personal commitment from each citizen that they will not tolerate crime locally.

I support the Bill and with the caveats that I have just expressed I hope very much that it will receive a Second Reading.

7.12 pm

**Mr. David Heath** (Somerton and Frome) (LD): It is a pleasure to follow the right hon. Member for Leicester, East (Keith Vaz) in his first outing in the Chamber as Chairman of the Select Committee on Home Affairs. He made some sensible comments about the Bill, especially about special immigration status, which is a matter we shall want to look at carefully in Committee.

The one point where I disagreed with the right hon. Gentleman was over the strange business of the counting of criminal justice Bills. I certainly heard the hon. Member for Arundel and South Downs (Nick Herbert) say that the number was 35 and I thought I heard the Lord Chancellor entering a plea of guilty and asking for another four to be taken into account. There is an almost annual procession of criminal justice and/or immigration Bills, so I suppose we must be grateful that in this instance we have a portmanteau Bill that covers both headings.

I have to enter an objection to the process. It is extraordinary that a Bill of such complexity and importance is being introduced at this stage of the parliamentary timetable—a few weeks before the end of the Session—with the expectation of the Government that it will receive carry-over, which is not the purpose for which the carry-over procedure was introduced, and with a heavily truncated Committee stage. The programme motion on which we shall vote later requires us to complete our Committee proceedings by 30 October. For a Bill of 129 clauses and 235 pages, that is an extraordinary reduction in the amount of scrutiny the House will be afforded and I do not accept that it is an appropriate way of dealing with a Bill of such importance.

As has been said, the Bill is one of those extraordinary measures that emanate so often from the Home Office—and now from the Ministry of Justice—that appear to be a convenient piece of legislation on which any and every item can be hung with no common threads between what is proposed. The significant problem I have with so much of what the Government propose in the sphere of home affairs and justice is that they mistake legislative action as a substitute for executive action in actually getting our systems to work properly.

**Mr. Hanson:** I reassure the hon. Gentleman that the date of 30 October mentioned in the programme motion relates solely to the nature of the likely date of the forthcoming Gracious Speech. The carry-over motion will apply to the Committee, too.

**Mr. Heath:** I am grateful to the Minister for that assurance but that is not actually what the motion says. If that is what is intended, it would have been helpful if it had been said. However, we must take the right hon. Gentleman at his word.

**Mr. Garnier:** The hon. Gentleman is right to point out that oddity on the Order Paper. Paragraph 2 of the motion states:

"Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 30th October 2007."

That is perfectly clear English. The carry-over motion, No. 3 on the Order Paper, deals with incomplete business that can be resumed in the next Session, but if the Committee stage has been completed all that is left in the House is Report and Third Reading, so the hon. Gentleman is perfectly right. Perhaps the drafters of Government motions need to apply their minds to what motions mean as opposed to what they think they mean.

**Mr. Heath:** I think the hon. and learned Gentleman is absolutely right; that was my reading of the motions. I can assume only that the Government intend to propose a motion at the start of the next Session of Parliament for recommittal. If that is the case and they can give that assurance—

**Mr. Hanson** *indicated assent.*

**Mr. Heath:** I think I heard the Minister give such an assurance, so I invite him not to press motions 2 and 3 tonight and to return to the House tomorrow with motions that are in order and make clear the Government's intention. However, that is enough about process. Let us deal with the substance of the Bill.

Part 2 deals with sentencing. We heard an interesting exposition from the hon. Member for Arundel and South Downs of what he understands by the term "honesty in sentencing". I agree that it is an essential missing ingredient of the Bill. The Liberal Democrats have argued for a long time that when a sentence is handed down in court it should say what is going to happen, for the benefit of victims, witnesses, the public and, indeed, defendants. That means that we need a change in the way that sentences are described in court so that there is a statement of the term that is to be served and the additional term that will be served if the prisoner does not accept the disciplines of the penal system. That seems an entirely appropriate way of dealing with matters.

Our judicial and criminal justice systems are put constantly into disrepute by people realising that a sentence of a particular length of time means a much

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shorter time in practice. We argued against automatic release schemes, as did the Conservatives, and our suggestion would not require more or fewer people to be in prison, but simply clarity in the courts, which is in the interests of the criminal justice system. We certainly intend to table amendments in Committee to make that a reality and I hope that we shall have the support of the Committee in doing so.

Secondly, I welcome the provision for judicial discretion in the discount procedure, if we have to accept the present system. The Lord Chancellor was careful in the words he used to support the judicial decision in the Sweeney case. I wish that the right hon. Member for Airdrie and Shotts (John Reid) had been equally discreet when the sentence was given. When Home Secretaries vilify the bench because of a system introduced by the Government, it does nothing to further the interests either of justice or judicial independence. I hope that future occupants of the position of Home Secretary will understand that point and perhaps be guided by the Lord Chancellor in so doing.

Thirdly, we must recognise the crisis in our prisons—again, something that was alluded to by the hon. Member for Arundel and South Downs. We have an ongoing disaster in our prisons, but I do not accept the simplistic thesis that we can deal with it simply by building more and more prisons and putting the same categories of prisoner into them. That does not work. We need to ensure that those who should not be in our prison system are taken out, to leave room for the proper rehabilitation of prisoners who must be in prison for the protection of the public, quite rightly. That involves moving those with mental illness into secure mental institutions, taking those with drug and alcohol problems into places where they will have treatment and taking out those who are serving very short custodial sentences, which do not work. Sentences of three months or less have an almost 100 per cent. recidivism rate. Therefore, what on earth is the point of using valuable prison space to impose a sentence that will have nil effect on the offender reoffending? There are better and tougher ways to deal with those offenders in the community.

I should like to deal next with perhaps a rather crucial issue. Some right hon. and hon. Members may have read the story in *The Times* of 28 September 2007, saying that the brand-new National Offender Management Service, in which the Government have invested so much money and attention, is to be scrapped. I have heard no official rebuttal of that most extraordinary story.

**Mr. Hanson** *rose—*

**Mr. Heath:** We are going to hear it now, I hope.

**Mr. Hanson:** I will give the hon. Gentleman an official rebuttal of that story. We are examining internal structures, but the principle of offender management and the National Offender Management Service remains intact.

**Mr. Heath:** I am glad about that, and while the Minister is pondering these very difficult things, he can explain why £155 million has been spent on a computer system that still does not work and an extra £33 million is required—something that perhaps one of our very excellent Committees that examine departmental expenditure might like to consider, to discover why the new system, in which the Government have invested a large amount of money and attention, is not meeting any of its targets at the moment. That is a concern because, when we do not have a particularly effective probation service, we put members of the public at risk. We see that frequently in the limitations of early release that involves insufficient examination and assessment, and people therefore commit offences having been released from prison too early. We ought to avoid that.

The Lord Chancellor—I keep wanting to say Home Secretary and I have to remind myself that he is the Lord Chancellor—is interesting in what he has to say on his "Have-a-go hero" strand. That is not to sneer at him for what he said about his own role or, indeed, at anyone who tries to prevent crime, but it is very hard for us to reconcile what he said at conference and in his press releases and public statements with what has been consistently said from the Treasury Bench in response to that question when it has been raised in private Members' Bills.

I am not fully convinced by the argument that a change of law is necessary. Indeed, I accept many of the assurances that were previously given by Ministers that there is no defect in the current law. However, there is an enormous defect in the policies that are understood by the police and other investigating officers. Frankly, they occasionally pursue absurd investigations and arrests, and that occasionally gets through to the prosecution service as well. It is absolutely essential that we get a bit of common sense into the policing of the issue, so that people understand that reasonable force is perfectly acceptable and, indeed, commendable and that only where grossly disproportionate force is used should the investigating authorities look at the householder rather than their assailant, the burglar or whatever.

The Bill has some useful parts. The Criminal Justice Act 2003 is revisited, as is the Crime and Disorder Act 1998. I largely welcome what has been suggested in that respect. I welcome clause 53, which will remove the automaticity of the reprimand and final warning legal proceedings. I welcome clause 10 on the abolition of suspended sentences for summary crimes. I understand that I differ from Conservative Front Benchers in that respect, but it seems quite wrong that suspended sentences are used in the magistrates courts as a substitute for immediate sentences of a different kind, which was certainly not the Government's intention. Although the Lord Chancellor went into one of his more Gilbert and Sullivan moments in referring to the punishment fitting the crime, I support condign punishment. It is absolutely right that we should seek to find appropriate remedies for breaches in the law.

I worry that the Bill presents a wider range of disposals, without the resourcing that is necessary for the probation service and others to support those disposals in the community. I am concerned about clause 18, which deals with the change in the requirements for reference from the Parole Board for recall. Again, that is putting effectively a judicial

decision in the hands of the Executive, and I wonder whether the lawfulness of that change, like others, will be challenged eventually.

On compensation for miscarriages of justice, the Government have got things completely the wrong way around. They are trying to make the limit on compensation for miscarriages of justice the same as the limit on compensation for the victims of crime, but the problem is the limit of £500,000 that they introduced under the criminal injuries compensation scheme, not the fact that people who have had the worst thing inflicted on them that a state can inflict—imprisonment for a crime that they did not commit—should be compensated properly. Rather than limiting that liability, the Government should be extending the capacity for criminal compensation.

The Lord Chancellor has been referred to as a grey beard on occasion over the past few days. I heard him suggest this morning that that was perhaps an inappropriate description, but he has shown a degree of wisdom befitting his rank and status in agreeing to look again at clause 26 and the rewrite of the Criminal Appeal Act 1968. My hon. Friend the Member for Cambridge (David Howarth) questioned the application of what is proposed in the Bill to the Mullen case. If we in this country are to accept circumstances in which extraordinary rendition is whitewashed by legal procedure, we are on a very slippery slope indeed. I think that the Lord Chancellor now recognises that that is the purpose of the amended wording that will be introduced, and I welcome that and am grateful to him for it.

On violent offender orders, we now have a huge panoply of civil remedies for the avoidance of criminal offences and, indeed, in substitution for criminal proceedings. Some of them work; some do not. We have always argued that ASBOs have a place, but only if they are accompanied by much closer supervision and support for the offender to prevent reoffending. It is very hard to understand exactly what category of offender is likely to be caught by violent offender orders. Why is there not a simple read-across from the sex offenders register, so that we are aware of the whereabouts of violent offenders and they have a reporting system, but with no further sanction? I will consider that very carefully in Committee with my hon. Friends, and we shall assess how effective violent offender orders are likely to be.

In dealing with the clauses on nuisance or disturbance on hospital premises, I wish to say that nothing excuses violence or disorder in a hospital or GP premises—a point made by a Labour Member—that gets in the way of proper treatment. Indeed, I was a co-sponsor of the Bill, now an Act, introduced by the Father of the House to deal with difficulties in the emergency services. However, it is hard to understand the precise wording of the clauses. It is difficult to understand why it specifies hospitals and not other NHS premises and why it does not refer to patients, who are often the principal offenders. I am afraid that those involved are often not just people who walk in off the streets; if we go to any accident and emergency ward, we will often see people admitted as patients, seeking treatment, who nevertheless display violence against medical officers. Lastly, it is hard to see why the issue is not covered by existing law.

I refer the Lord Chancellor in all seriousness to the 1999 case of Porter *v.* Commissioner of Police for the Metropolis. It appears to deal with an exactly analogous position: a breach of the peace, civil trespass, a person refusing to leave premises after being asked to leave, the attendance of the police and an arrest for breach of the peace. The precise circumstances covered by the offence in the Bill are covered by that case.

**Mr. Garnier:** On a point of order, Madam Deputy Speaker. I apologise to the hon. Member for Somerton and Frome (Mr. Heath) for interrupting him just as he comes to the end of his speech. However, at the beginning of his remarks, he introduced some concerns about the procedure. We need to get those sorted out now before we go too far. I want to raise this point of order before he has sat down, so that he has an opportunity to deal with it from his party's point of view.

Madam Deputy Speaker, you will see in the Order Paper the Government's motion in relation to the Bill's Second Reading. It is clear from that that the programme motion, which is to be considered after the Second Reading debate, is to limit the extent of the Public Bill Committee, which must conclude by Tuesday 30 October 2007. Report and Third Reading consideration are not given a date; nor are other proceedings. However, if the House agrees to the motion, the carry-over permits the Bill to be dealt with again in the next Session. I think that the Queen's Speech is on 6 November—

**Madam Deputy Speaker:** Order. The hon. and learned Gentleman has raised the kind of issue that will be best dealt with in the winding-up speeches, when there will be time for clarification. I am sure that he is aware of the time pressure in this debate. It would be appropriate for the Minister to deal with the issue in the wind-up.

**Mr. Garnier:** I am most grateful, Madam Deputy Speaker. *[Interruption.]* I understand from the Secretary of State that the Minister will deal with the issue—after the close of this debate, I assume, but before we start on the next business.

**Madam Deputy Speaker:** Order. I have just made a recommendation that the Minister should deal with the issue in his winding-up speech. I am sure that he will do just that.

**Mr. Heath:** I am grateful for that response to the point of order raised by the hon. and learned Gentleman, who has confirmed that my immediate concerns were right. I look to the Minister in his winding-up speech either to accept that the motions should not be put this evening or to make a clear statement that a further procedural motion will be tabled to put right the obvious anomaly.

I want to make two brief points in conclusion. The first is about the provisions on extreme pornography and prostitution. The abolition of the term "common prostitute" is certainly welcome. However, I wonder why we are revisiting the Sexual Offences Act 2003 so soon. The Lord Chancellor said that times have changed since 10 years ago; yes, they have, but they have not

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changed as much since four years ago. It seems odd that we are revisiting an issue that we thought had been dealt with by a definitive Act, following careful scrutiny. I shall carefully consider what the Lord Chancellor says on the subject, but it strikes me as odd that, having established a consolidating measure, which was carefully argued through the House, we are revisiting it so soon.

We all want to stamp out homophobic hate crime. The degree to which we can support any amendment will depend on the terms in which it is put, but I hope that there will be no doubt that the Liberal Democrat Members will support a workable solution—one that does not compromise people who are simply professing faith or expressing themselves in ways that we may not agree with, but are nevertheless not intended to incite crime.

In conclusion, we wish to support some measures in the Bill; there are some about which we will argue strongly in Committee and no doubt return to on Report. I welcome the attitude expressed by the Lord Chancellor in some respects; there are issues on which he is prepared to listen, and he has already made a concession on one important element of the Bill. We will seek to amend that which is wrong. We will apply reasoned arguments and try to restrain the authoritarian instincts of the Government in the interests of justice and the protection of the public. Those are the paramount considerations. We do not intend to vote against the Bill this evening, and we will listen carefully to what the Minister says about the programme and carry-over motions.

**Several hon. Members** *rose—*

**Madam Deputy Speaker:** Order. I remind right hon. and hon. Members of Mr. Speaker's time limit of 10 minutes on Back-Bench speeches. In view of the time factor, Members may wish to restrict their contributions even further.

7.36 pm

**David Lepper** (Brighton, Pavilion) (Lab/Co-op): I shall be brief, Madam Deputy Speaker. I wish to confine my remarks to clauses 64 to 66 in part 6, which deal with extreme pornographic material.

Jane Longhurst, my constituent, was a respected and dedicated teacher at a school for children with learning difficulties in my constituency. It happens to be the last school where I taught before I retired from teaching, but we did not work there at the same time. Obviously, Jane's murder caused concern throughout the whole community. During the trial of Graham Coutts, there was horror at the revelations about how she had died and the circumstances surrounding her death. Everyone was shocked.

I believe that it is because of the determination of Jane's mother, Liz Longhurst, and other members of her family and the responsiveness of Ministers of this Government that those clauses are before us tonight. I welcome that. Liz Longhurst decided that her daughter's death should not go unmarked and that the extreme pornographic images that had fuelled the fantasies of the man who was twice tried for Jane Longhurst's murder—the family had to go through the horror of a trial twice—had to be dealt with. She launched a campaign, which, I am glad to say, received the backing of Amnesty International as part of its campaign against violence against women.

The campaign, aspects of which I am sure my hon. Friend the Member for Reading, West (Martin Salter) will want to discuss if he has the opportunity, received the backing of local newspapers. I must pay tribute to *The Argus* newspaper, published in my constituency, and particularly to Phil Mills, who was its chief crime reporter, although sadly no longer.

The campaign led to a 50,000-signature petition calling for action being presented in the House. There has been determination on the part of Mrs. Longhurst—the fact that we are discussing the issue is a tribute to her—and on the part of many of the predecessors of those on the Government Front Bench. I pay particular tribute to the former Home Secretaries, my right hon. Friends the Members for Sheffield, Brightside (Mr. Blunkett) and for Norwich, South (Mr. Clarke) for the sympathetic way in which they listened to the case for legislation that we put to them. I also pay tribute to other Ministers who have dealt with the matter—in particular my hon. Friend the Member for Wythenshawe and Sale, East (Paul Goggins) and the Under-Secretary of State for the Home Department, my hon. Friend the Member for Gedling (Mr. Coaker).

We were determined that something should be done to tackle the pernicious trade in violent internet pornography. I welcome the way in which the Government have responded to the campaign. The provisions before us tonight do not go as far as many of us want, but they tackle an important aspect of the issue: the possession of those awful images. In doing so, they fulfil one of the requirements that the Lord Chancellor said in his opening remarks is an underlying principle of the Bill: to make sure that the law keeps pace not only with changing patterns of crime, but with technology and the way in which it affects patterns of crime. I wish we had proposals before us tonight to tackle at source the internet sites that purvey this material. However, that needs a degree of international co-operation which, sadly, despite the determination of Ministers, we have not yet been able to achieve—in the same way as we have achieved international co-operation to tackle child pornography. That is a further stage of the campaign.

The provisions do tackle possession. I ask the House to consider the comments of Jim Gamble, the chief executive of the Child Exploitation and Online Protection Centre and, at the time he made the comments, the lead for the Association of Chief Police Officers in this area of criminality. He said:

> "Legislation is only truly effective if it develops step by step with technological advances."

The provisions start to address the issue of how the internet can be used to supplement this area of criminality and build on the fundamentals of obscene publications legislation.

**Martin Salter:** Will my hon. Friend also pay tribute to the Reading *Evening Post* for its support of the Longhurst campaign? More importantly, does he recognise that the campaign achieved the support of 180 MPs, who signed early-day motion 583 on the murder of Jane Longhurst and internet sites promoting

necrophilia? We are talking about some of the most obscene and disturbing material, including internet sites such as Necrobabes, Death by Asphyxia, and Hanging Bitches. Does he agree that the provisions will not make a new offence of anything that is not already illegal? We are talking about material that is already illegal under obscene publications legislation. It is merely the possession of the images that will become a new criminal offence.

**David Lepper:** I welcome my hon. Friend's intervention and agree with the points that he makes. I also welcome the commitment of Members on the Opposition Front Bench to support at least this part of the Bill, if not other aspects of it. Building on what my hon. Friend said, the explanatory notes that are available to us all make it clear that the intention of these clauses is not to restrict makers of narrative films or documentaries, or artists. The provisions are quite specific about the need to prove in court—and, I believe, to have the permission of the Director of Public Prosecutions to take the matter to court—that the intention of those involved is very different from that of people producing works of fiction in a more mainstream way.

I welcome the fact that the Government have responded to the strong demand from the family of Jane Longhurst and all the organisations that have supported Jane's family. None of us can really know the anguish that Mrs. Longhurst and other members of her family have been through over the four years since her daughter's death. However, we have before us tonight legislation that, in some small way, when eventually passed, will be a memorial to a dedicated teacher and a wonderful daughter.

7.44 pm

**Sir Paul Beresford** (Mole Valley) (Con): At the conclusion of his remarks, the Secretary of State suggested that the Opposition should at least not resist the Second Reading of the Bill and indicated that there may be some co-operation, particularly in Committee. I have certainly heard that before and I ask the Minister of State, Ministry of Justice, the right hon. Member for Delyn (Mr. Hanson) to think about that. In the past, I have put forward a considerable number of amendments and new clauses, and even a private Member's Bill—only to have them rejected out of hand and then see the provisions return months, or even years later, sometimes with almost identical wording, under the Government's banner. With that in mind, perhaps the Minister of State will consider a couple of suggestions this evening. I am bringing them forward now, so that they can be considered as the Committee stage moves forward.

I am referring in particular to part 6 of the Bill. The thinking behind the provisions on extreme pornographic images is echoed in the legislation dealing with paedophiles, as the hon. Member for Brighton, Pavilion (David Lepper) mentioned. There is clear evidence that paedophiles use literature, drawings, pseudo-photographs, photographs, films, videos, websites and digital material to stimulate their activities and generate interest among others.

Clause 68 is an ideal platform to deal with a new problem that reflects the changes in thinking and movements in the digital world. Again, this follows on from what the hon. Gentleman said. Computer-generated imaging is a software system that is used by clothes manufacturers to produce a figure that they will clothe and use legitimately. Paedophiles use it to produce images of children having sex with children or adults having sex with children, and use that material for stimulation. That is well known by the Home Office. I have asked the present Home Secretary and the previous Home Secretary for action on the matter, and it has been promised. The internet taskforce is looking at the issue. It would be quite simple to make a small and subtle change to the clause to introduce a suitable provision. I ask the Secretary of State for Justice and his Ministers to look at the matter positively and to use this opportunity to deal with the issue, thus keeping ahead of the changes in digital imaging.

The second issue that I want to raise—the encryption of images—is being looked at by the internet taskforce and has been looked at over a number of years by Home Office Ministers. The images used by paedophiles, and the individuals covered by the provisions that are being proposed, can be encrypted. Nowadays, if one has an operating system such as the new Vista professional, it is easy to ensure that images are encrypted when one turns one's computer off and it is impossible for law enforcement officers to access those images. There are a large number of reasons, which I will not rehearse—because I have mentioned them before—for getting access to the images. Quite apart from catching the criminals themselves, in the case of paedophiles it is important to find the children, because they need help.

In addition, 128 bit and 256 bit encryption has been available for some time, free, on the internet. It is quite simple to use. Individuals with any intelligence can use it to prevent access to images. There are plenty of cases—the Home Office will know of them—in which things are well known by the police force. I am thinking in particular of an Australian individual who was deported by the police. As he headed into terminal 3 at Heathrow for his Qantas flight back to Australia, he had something in the region of 32,000 images—disgusting paedophile images—that the police could not get to because of encryption.

In the past, the answer has been the Regulation of Investigatory Powers Act 2000. Seven years after that Act was passed, provisions in part 3, which dealt with this aspect, came into force in secondary legislation. The difficulty is that the maximum sentence is two years. The sort of sentences that a paedophile hiding such material could expect if there was access to the material is anything up to 15 years, as well as being put on the sex offenders register. The paedophile is unlikely to produce the code, as required under part III of RIPA, because he will only get two years for not doing so—and as my Front-Bench colleagues might point out, he would actually serve only one—and will not go on the sex offenders list, so he will hold his hands up to that crime, but not to the other one.

During the consultation on part III of RIPA, I was able to help some of the Ministers' officials in our discussions with the people concerned from the City on the implementation of part III. In that consultation, with my encouragement, the Government suggested that consideration be given to increasing that two years to a maximum of 10 years. That 10-year maximum related to legislative penalties for other paedophile

*[Sir Paul Beresford]*

activities. Nothing has happened. We have an opportunity to reflect on that, to consider the consultation, and to use the Bill to act on the issue and possibly increase the maximum sentence to 10 years, because there are related clauses in it. I ask the Government to use this opportunity, and to use the Committee stage to discuss the issue. I hope to put forward amendments and new clauses proposing that change. As the hon. Member for Brighton, Pavilion suggested, the Government could use this opportunity to get ahead of, or at least to keep up with, the way in which digital imaging has moved forward.

7.51 pm

**Alun Michael** (Cardiff, South and Penarth) (Lab/Co-op): I welcome this ambitious, wide-ranging Bill, which consolidates the progress that has been made in the past 10 years. It is a progressive piece of legislation. It is disappointing that the official Opposition did not engage with it more seriously, particularly as the Lord Chancellor has responded positively to some of the questions asked about the detail of the Bill.

When it comes to implementing the Bill, the challenge for the Ministry of Justice and the Home Office is to give people working in all parts of the criminal justice system clarity about what is expected of them. In recent years, even when legislation has been clear, there have been far too many mixed messages. Guidance and the detailed implementation of specific measures have been less clear than Ministers intended. The courts sometimes seem confused about how it all fits together, and as the Bill is about clarity, consolidation and progress, this is an ideal opportunity to set matters right. I make that point because the criminal justice system is highly complex, and the devil is in the detail, as my right hon. Friend the Lord Chancellor has always been fond of pointing out.

I want to refer to several specific provisions in my role as critical friend. First, I want to discuss the Bill's overall purpose. As the Library's excellent note on the Bill points out, the Crime and Disorder Act 1998 clearly set out the overall purpose of the youth justice system. The Act says:

"1) It shall be the principal aim of the youth justice system to prevent offending by children and young persons.

(2) In addition to any other duty to which they are subject, it shall be the duty of all persons and bodies carrying out functions in relation to the youth justice system to have regard to that aim."

Clause 9 of the Bill clarifies the approach that the court should use in sentencing, and I welcome that, provided that the courts do not confuse the issue by separating their responsibilities in sentencing from the overarching statement of purpose set for the whole criminal justice system, of which they are a part. My point is that the courts seem well able to forget what they are for. That is an important point, because the more that young offenders offend, the more that they damage their victims, the community as a whole, themselves, their peer group and their family, so we must not lose that focus.

Secondly, on the sentencing of young people, the proposal to combine 15 different requirements in a single youth rehabilitation order is welcome. Having so many different orders became confusing for young people, parents and the public. There are challenges: first, we need to know what is working and what is not, so each specific use of the 15 categories needs to be accurately recorded on each occasion. When an order is made, if it incorporates, say, three of the requirements, each should be recorded in the statistics, and the outcomes should be monitored. The Prison Reform Trust expressed concern that a generic community sentence could reduce the hierarchy of disposals available to the court. There are two ways of dealing with that genuine fear. The first is to make it clear that the order will be used on several occasions with a persistent offender, but with different choices being made from the menu on each occasion. The second is to get rid of the idea of a hierarchy of disposals altogether, because it is a lazy way of sentencing. It means that a court could fail to use the appropriate disposal, which might end a criminal career, because the offender is too high up the tariff, or not high enough on it. Either one is madness; what counts is getting it right in each case.

As a magistrate and as a youth worker who worked with young offenders before entering the House, I particularly welcome the addition of the activity requirement. Engaging the young person's mind in new interests and challenges is frequently successful, especially when it is applied at the same time as interventions that address the offending behaviour and its causes, as the new style of order will do. It is not a soft option; it is an essential, tough element in ensuring a comprehensive approach to diverting young people from crime. I also welcome the introduction of youth conditional cautions and the Government's intention to do more to embed restorative approaches in the system.

Thirdly, on antisocial behaviour orders, clause 108 creates a statutory requirement to review after one year an ASBO placed on a young person aged under 17. That is good, but I remind Ministers that when I introduced the ASBO in 1998 I assured the House that the Government intended it primarily as an order for adults, and that it would be used only exceptionally on young persons. The whole point of the ASBO is to prevent further offending. To take the message of the ASBO to heart, offenders have to appreciate what they have to lose, and teenagers often have no sense of risk. It has worked well and has been successful when properly used, but it is less successful with the younger age group, so I urge Ministers to implement the clause, but to change the guidance so that the ASBO is used as designed and intended.

The ASBO is an effective measure of deterrence and prevention. It deals with the reality. It is a movie film, rather than the snapshot that the courts normally deal with. It prevents what it forbids—a test that most laws fail, as Gibbon pointed out in "The Decline and Fall of the Roman Empire". Someone who obeys its requirements has no criminal record and no punishment, and is deterred from a life of crime, but it comes into disrepute when used in inappropriate circumstances with those who are too young to understand what it means, or the risk that they run if they breach it.

My fourth point is on the protection of NHS staff. I welcome the clause on that subject. Our front-line staff in the NHS deserve protection. However, looking

outside the legislation, I ask my right hon. Friend the Minister of State to consider the success of the approach to violence reduction adopted in Cardiff. It is 10 years since my right hon. Friend the Lord Chancellor came with me to meet Professor Jonathan Shepherd in the accident and emergency unit in Cardiff, and saw what was being done to identify the cases of violence that were draining NHS resources. It was discovered that many incidents were unreported. A clinical analysis of the experience in the NHS showed that targeted action could reduce both alcohol-related violence and domestic violence. The result is that Cardiff is now the safest city in its cohort of cities. The public is safer and the waste of NHS resources on avoidable, expensive treatment has been reduced. That lesson should be applied elsewhere.

Fifthly, I want to deal with clause 12 on indeterminate sentences. The Bill will result in a different sentence for the offender who is given an indeterminate sentence. The Prison Reform Trust comments that in an increasingly risk-averse culture, that could become the default setting. It has a point, especially as the courts, rather than having a clear focus on getting it right, often appear more at ease following a pattern of sentencing. There is no quick fix on that issue. The point of an indeterminate sentence is to manage risk and prevent danger, so one cannot determine matters entirely at the point of sentence. We need to look at the clause with care. We do not need tougher or softer sentencing; we need better targeted sentencing, combined with an effective system of managing the risks, and we need to give those in the system the confidence to address the risks effectively.

Sixthly, on sharing data, I am pleased that clause 75 provides custodial penalties for those who knowingly and recklessly disclose personal data, but will the Minister stress clearly that this must not be used as an excuse for failing to disclose information when it is appropriate—for example, in order to prevent and reduce crime, as set out in the Crime and Disorder Act 1998? "If in doubt, don't disclose" is still the default setting for too many data controllers and lawyers, whereas the right response is always to balance the requirement of data protection against the public interest in disclosure and to make a responsible judgment.

There are many other points in the Bill on which I would love to comment, but I am conscious that many of my hon. Friends wish to speak. I will therefore simply say that this is a good piece of legislation that has my support, and I am delighted that the Government have sought to cover so many important issues within the context of the Bill.

8 pm

**Mr. Alan Beith** (Berwick-upon-Tweed) (LD): I should like to record my congratulations to the new Chairman of the Home Affairs Committee, the right hon. Member for Leicester, East (Keith Vaz). He served with me from the beginning on the Constitutional Affairs Committee, which is shortly to become the Justice Committee. He was acerbic in his questioning of Ministers, and showed neither fear nor favour to Ministers of the Government whom he supports. I hope that he will apply that rigour to his new work; I am sure that he will.

May I also congratulate my hon. Friend the Member for Somerton and Frome (Mr. Heath) on teasing out the issue of the programme motion? I am glad that there have been discussions on that, and that it looks as though the issue will be resolved satisfactorily. I would expect no less from the Lord Chancellor. He always shows an exemplary degree of recognition of the importance of procedures of the House—by the admittedly not always demanding standards of the present Administration—and that is something that I have come to expect from him.

It is necessary to look at the background to the Bill, because in some respects it has been built on rather shaky foundations, given some of the problems that we face in the criminal justice system. Prison numbers have been cited several times, with 81,000 and rising, and hundreds in police cells. The early releases under the end-of-custody licensing scheme have also caused concern, and the prison officers' dispute is a matter of serious concern to the Minister of State. Whatever view we take of the tactics used by the Prison Officers Association, we need to bear in mind the prison officers' deep sense of being undervalued.

The Minister came to my constituency and together we visited Acklington and Castington—a prison and a young offenders institution. I will give the House an example that the right hon. Gentleman will remember. The prison officers asked how it was that they, who were carrying out their jobs on behalf of our society, were almost the only public servants who were not protected from the effects of smoke inhalation when going about their work. Prisoners are allowed to smoke in their cells and, as the Minister observed, in some cases that involves groups of cells and other areas in which they can move about, and into which the prison officers must go. "Yet again," said the prison officers, "nobody thinks about us when laws are drafted or policies devised." The Minister must be aware from some of the meetings that he has had that many prison officers feel seriously undervalued, not just financially but more widely as well.

The Carter review into the custodial estate and sentencing represents another element of uncertainty in regard to the foundations on which this legislation rests. I also referred in an earlier intervention to the chaos over indeterminate sentences for public protection. They are being used far more widely because of the lack of judicial discretion available. They are applied to summary offences, and now cover 153 offences, some of which would normally attract a very short sentence. The result is that the Parole Board cannot deliver reports in time, and people are therefore being detained when there is no proper basis for doing so. The whole system collapsed in Wells and Walker *v.* the Parole Board. In the meantime, the president of the Queen's Bench Division said that the Parole Board needed 100 extra judges to manage a system operating on this scale. The chief executive of the Parole Board has said that £3 million has been allocated to the National Offender Management Service to address the problem, but

"where the infrastructure will be found to spend that money properly, I do not know".

That system is going very seriously wrong indeed.

*[Mr. Alan Beith]*

Meanwhile, NOMS itself is proving as wasteful and useless a superstructure as we all warned it would be. It was bolted on top of a system that was already under strain, and we could have used the money required for the creation of NOMS in much more constructive ways. Mrs. Brennan of the Ministry of Justice is reported to be carrying out a fundamental review—to which the Minister referred earlier—which might even recommend the break-up of NOMS, even though it could retain some nominal overall structure. On top of that, the NOMS information technology system is in chaos.

As if all that were not enough, there is an unresolved dispute between Ministers and the senior judiciary over the safeguarding of judicial independence. That has particular relevance to sentencing. We still have not had any kind of statement from the Lord Chancellor on whether further discussions on that matter are taking place, and I hope that we shall have the opportunity to press him further on that this week.

None of those problems will be solved by the Bill. Even where it addresses some of them, it does not seem to tackle them effectively. I have read and re-read clause 12, on indeterminate sentences, and it might be a mark of my inadequacy, but I still cannot understand what its effect will be. It certainly will not be to remove the problems relating to indeterminate sentences that I have just identified.

Of course, there are good things in the Bill, most obviously perhaps the fact that it will give a statutory basis to the prisons ombudsman. That is overdue, necessary and very welcome. However, some of the Bill's provisions could actually add to the number of people in custody. For example, some of the provisions in clause 2 on youth offender orders, and even those in clause 72 on street offences, could have that effect.

The Bill raises some important wider issues that have not been considered by the Constitutional Affairs Committee, and any view that I express on those will be a personal one. I shall confine myself to just one of them. Clause 26 will allow the Court of Appeal to form a view when considering whether a conviction is unsafe on the basis of abuse of process, and to form its own view as to guilt on the basis of the evidence available to it. I am glad to hear from today's discussions that that clause is to be reviewed. It would give the Court of Appeal a fact-finding role—not its normal role—and has the potential to undermine the integrity of the judicial process by allowing bad process to obtain a conviction. This could encourage what has misleadingly, or perhaps euphemistically, been called "noble cause corruption"—that is, the fabrication of evidence in order to obtain convictions when satisfactory evidence does not exist.

Having made my criticism of the clause, however, I believe that we must also consider this question. If there is sufficient evidence of guilt but there has been some abuse of process, who should be punished? The danger is that if the method of dealing with abuse of process is to allow the appeal and free the offender, it will not be the person who has carried out the abuse of process who will be punished. It will not be the police officer who has fabricated evidence, or the prosecutor who has admitted into the prosecution case material that should not have been so admitted who will be punished. It will be the public, the community, who will have a dangerous criminal against whom there is clear evidence of guilt released on to their streets. So it will be the public who are being punished, not the person who perpetrated the offence.

While it must be wrong to found conviction on unsafe processes, it is also wrong that the punishment for an abuse of process should be visited on the public, who are seeking the defence of the criminal justice system, rather than on those who have carried out the abuse. Wherever possible, the system ought to be punishing the abuse rather than stepping back from the determination of guilt. I am not convinced that the clause has got this right, although it does address a genuine—if quite rare—problem. The Government are right to try to address it in the Bill, and I hope that we can arrive at a satisfactory solution through further discussion. I hope also that, in response to the consideration that has taken place today, those discussions will be suitably measured, not only on that clause but on the many other features of this complex Bill.

8.8 pm

**Phil Wilson** (Sedgefield) (Lab): Thank you, Mr. Deputy Speaker, for allowing me this opportunity to make my maiden speech during the Second Reading of the Criminal Justice and Immigration Bill, which I believe will help to make our communities safer when it is implemented.

During the Sedgefield by-election, I became aware that antisocial behaviour continues to be a constant worry for local people, even in an area such as Sedgefield where, because of this Government's policies, crime is well below the national average. Sedgefield constituency has been in existence since 1918, except for a short period between 1974 and 1983 when it was absorbed by other constituencies in County Durham. I pay tribute to those MPs who represented Sedgefield prior to 1974.

If anyone had said to me, when Sedgefield re-emerged in 1983, that our Labour candidate would become leader of the Labour party and then the first Labour Prime Minister since 1979, that after 10 years he would resign his position and leave Parliament to become a middle east envoy, and that I would become his successor after fighting a by-election, I would have asked that person whether they had ever thought about taking up writing fiction. Fact, it would seem, is much more original than fiction.

I would like to take this opportunity to wish Tony Blair, my predecessor, all the best for the future and put on record that I believe that this side of the House owes him a great debt of gratitude for the 13 years of leadership that he provided to the Labour party. The country owes him the same for the 10 years of leadership that he gave this nation. I know from speaking to him about it that he will always hold a special place in his heart for the people and communities of Sedgefield. I would also like to give Tony Blair's successor as Prime Minister, my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr. Brown), my best wishes. I look forward to many more years of his premiership.

I have always lived in Sedgefield and it is an honour and a privilege to represent the area where I grew up. For the people of Sedgefield, politics is not a game. For them, politics must do what it says on the tin. I hope that I can live up to that simple but honest request. I am the son of a coal miner. My Dad worked down the pit for almost 40 years and when I left school, he encouraged me to go on to do whatever I wanted, but he did not want me to follow him down the mines. He wanted better for me and, likewise, I want my family to go on to aspire. Aspiration should not be the preserve of the privileged few. It is something that we should all be allowed to reach for. That is one of the reasons why I joined the Labour party and it helps to form the basis of my creed.

I grew up in the Trimdons—a cluster of former mining communities in the north of my constituency, which share the same heritage as many other villages in Sedgefield such as Wingate, Wheatley Hill, Thornley, Deaf Hill and Station Town to the east and Fishburn, Bishop Middleham, West Cornforth, Ferryhill and Chilton to the west. It is those communities that are remembered when Sedgefield is referred to as a former coal mining area. When Tony Blair became MP in 1983, the coal mining area of County Durham had been ravaged by the then Conservative Government—and those memories run deep. In those days, hope and aspiration were neglected and thrown on the spoil heap of unemployment and deprivation.

When my predecessor made his maiden speech on 6 July 1983, he drew attention to the plight of the unemployed in Wingate. He said:

"In the area of the Wingate employment exchange, which covers a very large part of the constituency, unemployment now stands at over 40 per cent. A large proportion of the unemployed are under 25 years of age... Those young people are not merely faced with a temporary inability to find work. For many, the dole queue is their first experience of adult life. For some, it will be their most significant experience."—[*Official Report*, 6 July 1983; Vol. 45, c. 314.]

Today—24 years later and 10 years into a Labour Government after my predecessor led us into victory in 1997—I am proud to say that the unemployment rate in my constituency is at or below the national average. Where there were 5,500 people in Sedgefield out of work in the mid-1980s, there are now just over 1,000 today. Today my constituency is ringed by new or refurbished hospitals, with a new hospital built on the outskirts of Sedgefield village itself. Education results are massively improving and there are now more than 1,000 new businesses in County Durham. Between Fishburn and Sedgefield, there is a new science park, NetPark, which is nurturing new cutting-edge technologies, which will attract highly valued jobs to the area so that we can face up to the challenges of globalisation. For those among us who care to compare Sedgefield today with the Sedgefield of the 1980s, they will see that it is a better place, in no small measure because of the resilience of my constituents and the policies of this Labour Government.

In the west of the constituency lies Newton Aycliffe, a new town and the largest conurbation. It is a thriving community, with a population of 25,500 and to its credit one of the largest industrial estates in the region. Newton Aycliffe is a town with a bright future. The town has its issues, such as the regeneration of the privately owned town centre, but it was William Beveridge himself, the father of the welfare state and founder of the new town movement, who became chair of the Newton Aycliffe development corporation in 1947.

To the east of Newton Aycliffe is the town of Sedgefield, after which the constituency is named—an ancient town, but with modern aspirations. Like other communities in the constituency, it keeps an eye in a forward direction. Further to the south, the constituency is more rural and includes the communities of Hurworth, Heighington, Middleton St. George and Piercebridge. It is an area of the constituency that is different from the rest, because in the by-election it was there that the Liberal Democrats stopped saying that they were the alternative to the Labour party and started saying that they were the alternative to the Conservative party.

The identity of Sedgefield has been transformed since 1983. It is now confident, aspirational, proud of its coal mining heritage and I will continue to march with the miners' banners through the streets of Durham on gala day. However, the future lies in technology—once the preserve of science fiction—with strong communities, outward looking and ready to face the challenges of the 21st century.

We live in a world where change can be fast and can seem threatening to an already existing way of life. Others more cynical may want to exploit that for their own ends. I am talking about the presence of the British National party. I raise that concern not for my own sake, but for the sake of the communities I represent. The BNP had not been present in Sedgefield until the local elections, but then their leaflets arrived on our doorsteps. They spread discontent, where discontent did not exist. They talked about a rising tide of crime, when crime in Sedgefield is below the national average. They talked of Sedgefield being "swamped by immigrants", to use their language, where in fact 99 per cent. of the population saw themselves as white British in the census of 2001. That kind of cynical politics has no place in the communities where I grew up, where the watchwords are compassion and solidarity.

The people of Sedgefield are at their best when challenged. They do not turn to cynicism or prejudice. They draw from the deep well of community and solidarity, which has nourished the area for so long. The words,

"by the strength of our common endeavour, we achieve more than we achieve alone"

are not written down, or even spoken, but they are acted upon. For example, estates that have been pestered by antisocial behaviour have pulled together to root out the problem. In West Cornforth, the Cornforth partnership runs a successful youth project, which has seen the reduction in the amount of antisocial behaviour in the village. Local people and agencies have pulled together and united around progressing the well-being of their village. Likewise, in Ferryhill, the Ladder project is doing similar work and is a tribute to the local community.

Those are examples of hope—and where there is hope, aspiration follows. What gives aspiration structure is education. We need to give our young people the wherewithal to fulfil their potential and equip them for the challenges of the future, which is why I endorse this Government's approach to education.

*[Phil Wilson]*

Sedgefield has changed beyond recognition in my lifetime, but it is only in the past 10 years that the heartbeat of optimism has found its rhythm. I can assure my constituents that I will fight to protect their communities, promote their interests, serve them with diligence and build on the success of this Labour Government. With that, I have a lot to do, and I am grateful for the opportunity to make this, my first speech, to the House.

8.17 pm

**David T.C. Davies** (Monmouth) (Con): It is a great pleasure to follow that maiden speech, which had all the elements of a good one. It was well delivered, if I may say so, and it was delivered to time. It was an excellent walk through the hon. Gentleman's new constituency. Indeed, as he talked about those new industrial estates, the new town centre and the place ringed with hospitals, I am sure we all wished that we, too, could have had a Prime Minister who served our constituencies and delivered that level of investment. Unfortunately, not all of us have been quite so lucky. In all seriousness, it must be very difficult to follow the previous Member who represented Sedgefield. Whatever one thinks of his politics, by virtue of his high position he will be a difficult act to follow, but I am sure that the hon. Gentleman will do so with aplomb.

Now, to turn to this evening's debate, we heard a lot of tough rhetoric from Ministers earlier, but is the reality going to match that rhetoric? On the basis of previous performance, I find that somewhat hard to believe. We have heard more about tough sentences and increased numbers of prisoners, but the reality is that what is important is never the maximum sentence but the sentencing guidelines given to magistrates and judges.

In 2005, for example, 5,957 people were convicted of having a knife in a public place, but only one of them was given the maximum sentence possible. In that same year, 5,689 were convicted of possessing a knife or sharp, bladed instrument unlawfully, but only two were given the maximum sentence. When it comes to drugs, about 7,000 people were convicted of possession with intent to supply cocaine, crack, heroin, ecstasy, LSD, methadone and other class A drugs. Of those 7,000 people convicted of intent to supply, only one—just one—received the maximum sentence. Many of them did not even receive custodial sentences. I recently attended a police raid on a known heroin dealer. A quantity of heroin was found, but the dealer was let off with a caution. For all the Government's rhetoric, the reality has not been tough on crime or tough on the causes of crime.

There are other serious examples. Just a couple of years ago, a Bill was passed against the disgusting act of female genital mutilation, but, as far as I am aware, not one single person has been convicted. From all the information that I have received, it seems that only one person has been investigated for that horrendous crime. At the same time, the Government have been happily handing out bucketsful of taxpayers' money in compensation to prisoners and asylum seekers who have been encouraged to stick in bogus claims by money-grabbing lawyers working on a no win, no fee basis.

To get to the gist of the Bill, all one has to do is turn to page 109 of the explanatory notes, which explains things very well. The Bill is not about getting tough on criminals; it is about letting more people out of jail. The financial effects are clear: it will free up 1,383 prison places. As a result of the Bill, nearly 1,500 fewer people will go to prison.

The Government will say that those people are non-dangerous offenders and that a smaller number of non-dangerous people will go to prison. I do not like the terms "non-dangerous" and "non-serious". We hear them a lot. They apply to house burglars, car thieves, vandals and, of course, drug dealers. To my mind, such people should not be classified as "non-dangerous" or "non-serious". They are a serious problem for all law-abiding citizens and they deserve the sentences they get. In fact, they deserve much longer ones.

As a result of the Bill, such people will be walking the streets or be given so-called community sentence orders, but those do not work either. I have here a document that relates the experiences of a prison doctor. I shall not quote from it at length, but he says that one of his jobs is to give out private sickness certificates to people who have been given community punishment or community rehabilitation so that they can avoid it.

Those who receive such sentences quite often find that they are reduced afterwards, because it is not only prisoners who are let out early; it now happens to people on community sentences as well. They are given a community sentence, but a few weeks later the probation service will quietly scurry off to the courts to ask for a reduction. People do not realise that that happens. Such sentences are thoroughly ineffectual, because they are not properly policed by people who know what they are doing.

I went to see such sentences being carried out in south Wales. A load of car thieves were being taken bike scrambling and shown videos for the day. I arrived at lunchtime and was told to go and talk to the clients, as I think they were called. I went up to one of them who turned round to his social worker and ordered her to go and get him his chips, which she duly did. She queued up and brought him his fish and chips back, because he could not be bothered to get in the queue himself. Yet she was the person who was supposed to be policing these people and trying to keep them in check. It is absolutely hopeless. The reality is that prison works, and it is high time that we all recognised that.

**Martin Salter**: I feel that the hon. Gentleman and the House need a breather. He contends that prison works. If that is the case, will he explain why 70 per cent. of young men leaving prison reoffend within two years?

**David T.C. Davies:** I am delighted to do so: it is because they are not put in prison for long enough. *[Laughter.]* If the hon. Gentleman looks at the statistics, he will find that, yes, the figure is about 70 per cent. for people who receive a sentence of 12 months or less, but the longer the sentence, the lower the reoffending rate.

**Martin Salter** *rose—*

**David T.C. Davies:** I will give way in a moment; let me finish. People sentenced to 10 years or more have a much lower reoffending rate of about 30 per cent. The reason is that someone who receives a 12-month sentence will serve not six months, because they are usually let out on a tag before they even reach the halfway point, but often only three or four months. Before anything else can happen, they have to go to a prison where they can be assessed. Once they have been assessed, they might get moved to a training wing. By the time that happens, they have only a few months left on their sentence, which is nowhere near long enough to deal with the problems they have.

Most of those people have drug or alcohol problems and are very poorly educated. The first thing to do is clean them up and get them off drugs. Then they have to be given basic, rudimentary reading and writing skills. Finally, they need vocational qualifications. Yes, some of them might be a bit more intelligent, but by and large we are dealing with people who need basic vocational qualifications that will allow them to get a job when they come out of prison. Some prisons do that quite well, but most do not.

**Mr. Hanson** *rose—*

**David T.C. Davies:** I will give way again in a moment.

The reality is that most prison officers say that, to keep prisoners quiet, there is a sort of Faustian pact: if someone has only a few months left on their sentence, they are put in a cell and have their life made as comfortable as possible, but very little work is done with them. That is why such people come out and reoffend.

**Mr. Hanson:** Can the hon. Gentleman tell me how many prison places I, as a Minister, should plan for to implement his regime?

**David T.C. Davies:** I am afraid to say that I am unlikely to be a Minister under any Government, Conservative or Labour. That is the reality of the situation. I will tell the Minister what I think should happen, although this is purely my opinion.

About 100,000 people commit half the crime in this country, according to the Carter report, and only 15,000 of them are in prison at any one time. If we could put the other 85,000 in prison—not throw them into a hole, which is more or less what happens at the moment—we could train them properly, get them off drink and drugs, deal with their anger management problems, and give them vocational qualifications and skills. That might take time and it would cost money, but we spend £2 billion dealing with 80,000 prisoners. We could spend another £2 billion, or even another £4 billion, dealing with another 80,000, which would involve up to £6 billion. However, those prisoners cost £60 billion every year, according to the Home Office in 2000, so by removing from the streets the people who are responsible for half of all crime we could save £30 billion. That means that prison could pay for itself, quite apart from the fact that it takes off the streets those who make the lives of law-abiding people a misery. It would give those people an opportunity, because at the moment they have no opportunity at all.

One of the most shocking statistics, incidentally, is not the number of people who commit suicide, but the number of prisoners who die after they come out of prison, quite often because they take heroin and do not realise how strong it is. There are people dying all the time because they come out of prison. Prison is a safe environment for many of the people who are inside. I do not believe in throwing people into a hole. I do believe in a good Prison Service that looks after people properly.

I am also interested in the parts of the Bill that deal with the NHS. I ask the Minister to consider something with an open mind. As he might know, I serve as a special constable with British Transport police, which is funded by the rail operators and has made most train stations, particularly in London, much safer. I will not bore him with the anecdote, but I once had to deal with a situation in a hospital. *[Interruption.]* I have only two and a half minutes left, but it is a good anecdote.

The security guards in the hospital were unwilling to deal with a violent patient. The nurse told us that they were sitting down having their cup of tea and were not willing to get involved. They were getting very low pay—minimum wage, I would guess, or slightly more—and simply were not interested. If NHS hospitals, particularly those in inner cities, had dedicated police officers who dealt only with those hospitals, they would have a body of people trained in the law and, more importantly, the equipment to deal with violent offenders, which, unfortunately, security guards do not have. That idea has worked well with train stations, and is basically what the Ministry of Defence police do on MOD sites and the Civil Nuclear Constabulary at nuclear establishments. I see no reason why we cannot do something similar with hospitals, particularly in built-up areas, where it is easy to get from one to the other.

When the Minister looks again at the legislation that allows homeowners to defend themselves, will he bear it in mind that, according to a survey released recently, one in four people keep a baseball bat or blunt instrument under their beds to deal with criminals? That creates a great deal of danger to both them and—although I must admit that I do not lose too much sleep over it—the criminal. There must be a better way, and a way of enabling people to undergo training and have access to proper equipment that would enable them to defend their families, rather than relying on a baseball bat, which may harm them or someone entering their home.

Parts of the Bill are to be commended, but the Minister cannot disguise the fact that, as a result of it, 1,300 extra people every year will walk the streets, most of whom will reoffend.

8.29 pm

**Mr. Virendra Sharma** (Ealing, Southall) (Lab): Thank you, Mr. Deputy Speaker, for allowing me the opportunity to make my maiden speech. First, I commend my hon. Friend the Member for Sedgefield (Phil Wilson) on his maiden speech. I know that there are many more excellent contributions to come from him in the future.

It is a great honour and privilege to be elected to the House, to represent the people of Ealing, Southall and to speak in this historic Chamber. Almost 115 years

*[Mr. Virendra Sharma]*

ago, Dadabhai Naoroji, Member of the House for Finsbury Central, delivered his maiden speech. Today, as one of his ardent admirers, I have the privilege of making my own. Times in the last decade of the 19th century and the first decade of the 21st century are very dissimilar, but it is nevertheless a great tribute to the great democratic tradition of this great country that both of us, having been born in India under totally different circumstances, were sent by all the electors of our respective constituencies to this House. He delivered a message of hope, justice and fair play for all, irrespective of colour, creed or station in life. In my own humble way, I intend to do the same on behalf of all my constituents.

Thirty-nine years ago, when I came to this country, I brought with me the secular and non-violent tradition acquired from my father's involvement in the Indian freedom struggle led by Mahatma Gandhi. In this great country, my reception was mixed, and my aspirations marked by the limitations that I felt around in those yesteryears. Ealing, Southall is a constituency with a lot of people from the Indian subcontinent who had great ambition and drive to drop anchor here and contribute to the economic and social life of this great metropolis of ours.

Following the traditions of the House, I would also like to pay tribute to my immediate predecessor, the late Mr. Piara Singh Khabra, whose sad death in June of this year caused the by-election that resulted in my being elected to this House. In 1992, I was pleased to see him elected as the first Asian MP for Ealing, Southall. I stand in his place, though not, out of humility, in his shoes, given his great service to my constituents. He was a tireless campaigner on behalf of his constituents, and he and his wife Beulah gave 15 years dedicated service to the people of Ealing, Southall. His was a lifetime of service to the community, fighting injustice and intolerance. He will be long remembered for his hard work in the constituency that helped many individuals and also unified the many different communities in harmonious and peaceful co-existence. He will be a hard act to follow.

My election in July was the first message that the British people gave to the Prime Minister of their resounding confidence in his ability and the courage of his convictions to lead our country in these difficult times to greater heights and to implement his vision for change. I identify fully with his efforts to connect to people's aspirations, problems and concerns directly and raise once again the profile of Britain as a moral leader in a peaceful world.

In introducing my constituency to hon. Members, I am aware that many of them visited Ealing, Southall during the recent by-election campaign, so I recognise that some are already well acquainted with the unique place that is Ealing, Southall—the Leader of the Opposition seemed to like my constituency so much that he visited it no fewer than five times during the campaign. To all who visited Ealing, Southall, I say thank you, and to all those hon. Members who helped in my campaign I say a personal and special thank you.

For those who did not have the pleasure of visiting Ealing, Southall during the by-election, we are in west London, bounded in the east by Ealing common, the north circular road and the District and Piccadilly tube lines, and in the west by the Grand Union canal, almost reaching the Hayes bypass and close to the Heathrow airport. The southern part of the constituency, just north of the A4 and M4, includes south Ealing, Northfield and Norwood Green, where I have had the privilege of representing local people as a councillor for more than 25 years. To the north we are bounded by the Ruislip road and the pleasant environs of Greenford. Bisecting the constituency and linking Ealing, West Ealing, Hanwell and Southall from east to west is the Uxbridge road, the route of the 207 bus, on which I once plied my trade as a bus conductor.

The constituency has a proud history, with many historic buildings and institutions. They include Ealing and Southall town halls; Ealing studios, home to the Ealing comedies and today providing a state-of-the-art facility for film and media companies; Pitzhanger manor, home to the famous architect Sir John Soane and next to Walpole park, where the excellent Ealing jazz festival takes place each summer; and the Wharncliffe viaduct in Hanwell, built in 1844 by Sir Isambard Kingdom Brunel and jealously referred to by my hon. Friend the Member for Ealing, North (Stephen Pound) in his glorious maiden speech; as well as the three bridges and numerous magnificent churches, mosques, Sikh and Hindu temples, including the largest Sikh gurdwara in Europe, in Havelock road, Southall.

The constituency is also rich in culture, with Questors theatre providing west end-quality performances in the queen of the suburbs and the Dominion centre in Southall showcasing so many diverse cultural performances and exhibitions. Ealing, Southall is also a tourist destination, with film buffs visiting locations used for many classic films, and, as many hon. Members discovered in the by-election, culinary experts visiting Southall for its wonderful food, especially its world-famous curries.

What I am most proud of, however, is my constituency's great tradition and history of welcoming new arrivals, as well as the community cohesion that exists, as numerous communities from all over the world live together in harmony and peace. The Government's recent report on community cohesion, led by Darra Singh, the chief executive of Ealing council, was able to draw on many valuable lessons learned in my constituency. More than half the population is from an ethnic minority, the overwhelming majority coming from an Asian background, mostly Punjabi. There are significant Hindu and Muslim populations, but the Sikh community is the largest in the area, and in 2008 the third Sikh faith school in the UK will open in the constituency.

Being a Member of this House who was born in India and who represents a constituency with large numbers of constituents either of Indian birth or descent, I would like to conclude with my reflections on the positive partnership between Britain and India and on how it will benefit all my constituents, regardless of where they come from, and indeed all peoples of both countries. As in Ealing, Southall, the two countries are at ease with each other. For Britain, India is a natural partner for business and culture. Ealing, Southall is a gateway for much of that trade and culture to pass through, in either direction. Our countries also share the belief that education, especially higher education, is

the most important factor in a successful life. Harnessing those forces and common beliefs will lead to prosperity for all.

Once again, I thank you, Mr. Deputy Speaker, for giving me the opportunity to give my maiden speech and I thank the House for listening to me.

8.39 pm

**Mr. Philip Dunne** (Ludlow) (Con): I am delighted to be the first Conservative Member to welcome the hon. Member for Ealing, Southall (Mr. Sharma) to the House, and to congratulate him on a very thoughtful maiden speech. As he rightly anticipated, many Members who are in the Chamber this evening and many more outside had an opportunity to visit his constituency not long ago. I was one of them, and I must admit that—not being as familiar with it, and as used to driving around it, as he was as a result of his previous career—I did not always find it quite as easy to make my way around it as he no doubt did during his campaign.

The hon. Gentleman's thoughtful comments about the relationship between this country and the Indian sub-continent were very welcome. I am sure that he will be able to bring that experience to bear in the House in the months, if not years, to come.

I approach this debate having had the privilege of serving on the police service parliamentary scheme, from which I graduated earlier this year. I served with the West Mercia police, which gave me an excellent opportunity to understand the challenges that face our police daily in the area served by the force that covers my constituency. A month after my graduation dinner, they were brought home vividly to me by the tragic, and ultimately fatal, shooting of a West Mercia police constable, Richard Gray. He was shot in the head with a rifle, and fatally wounded, in Shrewsbury. One would not have thought that Shrewsbury was a hotspot for violent gun crime, but I am afraid that that is symptomatic of the problems that have been developing in our society, with gun and knife crime doubling over the last 10 years. I want to put on record my condolences to Mr. Gray's wife and two sons. He was a very brave officer who served with the armed response unit in Shrewsbury, in the Shropshire division.

My hon. Friend the Member for Arundel and South Downs (Nick Herbert) put the Bill in context. Given the plethora of criminal justice Bills that we have seen over the last 10 years, I regret that yet again we have missed an opportunity in failing to deal with some of the worst aspects of the growing violent crime in our society. The carrying of a gun or a knife should, in my view, be subject to more stringent sentencing. Where other countries have introduced stringent sentencing for the carrying of violent weapons, it has had a significant impact in acting as a deterrent to reduce the badge of honour for carrying guns or knives which is now so prevalent, particularly among the drug gangs that inhabit some of our inner-city areas.

The Boston experience is often mentioned here, but I do not think it has been mentioned yet this evening. It is worth reminding the House that there was a significant increase in the number of young homicides in Boston, on the east coast of the United States, in the late 1980s and early 1990s. The community united under the leadership of the local governor and mayor and put together the Boston gun project, which had a remarkable impact in reducing the number of young homicides. I believe that the number of such violent deaths fell by more than 60 per cent. as a result of that operation and the sentencing changes that were introduced, and that the reduction was sustained for several years. It is a great shame that part 8 of the Bill, which deals with the introduction of violent offender orders, does so little to seek to get to grips with the problem.

I want to touch on two other parts of the Bill. Part 4, which covers young offenders and prisons, is, I fear, another missed opportunity. Last month, Stoke Heath young offenders institution near Market Drayton—in the constituency north of mine—erupted into the second major disturbance in 12 months. I visited it in the summer and saw for myself the overcrowding, which has led directly, in my view, to that problem. Over 30 per cent. more young people are incarcerated in Stoke Heath than it was built for. A building programme is under way to provide more places, but that is woefully late. The problem that that causes for the inmates there is that they are unable to spend the amount of time that they are expected to spend, which should be provided, going through the basic education and basic rehabilitation that will make them better equipped when they are released to fit into society and to minimise their prospects of reoffending.

There is a major challenge for all those involved in seeking to rehabilitate our young offenders and, again, that is not addressed in the Bill. The youth community sentencing that is set out in part 1 does not go anywhere near addressing the major challenges. It is a sticking-plaster to try to assist with soft, low-level crime. It does not deal with the harder issues that are caused by increasing drug-related crime.

Drug offences have risen 43 per cent. to almost 195,000 in 2006-07. Of those who enter into custody, some 55 per cent. are established problem drug users. In some prisons, that is up to 80 per cent., but the drug treatment and testing orders have failed to help those individuals to get off drugs and to kick their habit. Eighty per cent. of those who are issued with DTTOs reoffend within two years. What is needed, and what is missing from the Bill, is a serious proposition for this country to provide facilities to rehabilitate drug offenders. That would have far more impact on reducing crime and reoffending than the youth community sentencing in part 1.

**Mr. Hugo Swire** (East Devon) (Con): I totally concur with what my hon. Friend says, but does he share my concern about the ready availability of drugs within the prison system? Does he think that the Government have done enough over the past decade to deal with what is an epidemic?

**Mr. Dunne:** I am grateful for that perceptive point. I agree that drugs are readily available within the prison population, and the Government seem to have nothing in the Bill to seek to address that problem.

There are rehabilitation formats that work. I have an excellent one in my constituency in Willowdene Farm, which has an exemplary track record in getting people off drugs. Many of them have offended and gone to that place following a prison term. However, the Home

*[Mr. Dunne]*

Office budget for the drugs intervention programme has been cut 13 per cent. this year. It is currently £149 million. It was over £170 million last year. That is another example of the Government saying that they are going to try to do something and the controller of the purse strings, our new Prime Minister, cutting resources to the Home Office. Consequently, the Home Office is having to make cuts in those programmes. *[Interruption.]* Does the Minister wish to intervene?

**The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker)** *indicated dissent.*

**Mr. Dunne:** Clause 114 is a seemingly innocuous clause about the inspection of police authorities and grants the Audit Commission wide-ranging powers to inspect the performance of police authorities. The present powers are limited to compliance with best value.

That raises a few suspicions in my mind. It was the police authorities, along with a number of hon. Members and a small number of courageous chief constables that led the resistance to the outrageous proposals to regionalise our police forces last year. I have a nasty feeling that this is the Government's way of getting back at police authorities. It is a classic example of the centralising tendency of this Government to seek to impose from the centre their will on bodies over which they do not at present have complete control. That is another missed opportunity. Instead of seeking to control police authorities in the same way that policing priorities are controlled from Whitehall, the Bill should be looking at a much bolder option—providing genuine local accountability to our police forces by introducing, for example, elected police commissioners. That would give local people a real opportunity to direct police priorities to reflect the problems in their areas.

One of the issues that I have noticed during my parliamentary service has been the degree to which our police are directed by the prevailing urban preoccupations of Whitehall to seek criminals for crimes that do not exist in many rural areas. Local accountability through an elected police commissioner would deal with that centralising problem. That is another opportunity that the Bill has missed.

**Mr. Deputy Speaker (Sir Michael Lord):** Order. Before I call the next speaker, may I say to the House that time is running out and a large number of Members are seeking to catch my eye? If hon. Members could take less than their allotted 10 minutes, it would be helpful to me and to their colleagues.

8.50 pm

**Martin Salter** (Reading, West) (Lab): I rise to support the Bill, which contains many measures that we welcome in my constituency. I particularly welcome the commitment that we had from the Secretary of State for Justice and Lord Chancellor, my right hon. Friend the Member for Blackburn (Mr. Straw), to introduce a new crime outlawing homophobic hate crimes, which will be welcomed by many in the Christian community and across all other faiths.

The Bill will bring in violent offender orders, of which we have heard much today, and will extend the existing crackhouse closure powers. That is particularly appropriate in Reading, because Reading borough council and the local police authority were the first to use the crackhouse closure powers with good effect. We have banged down many doors in Reading and shut down establishments that were making life a misery for law-abiding citizens who lived nearby.

I am pleased with, and will note with interest, the development of the youth rehabilitation orders. I agreed with some of the response to my intervention on the hon. Member for Monmouth (David T.C. Davies) in terms of the quite scandalous rates of reoffending in our young offenders institutions. It was my privilege at the Labour party conference to share a platform with the Minister of State on that subject. I commend to all hon. Members the excellent work of the national grid scheme, which is providing apprenticeships for young offenders to learn a trade and to be able to compete in the employment market once they have completed their sentences. I accept that prisoners are cherry-picked to go on the scheme—it started life in Reading prison, which is why I am highlighting it—reoffending rates have been cut from 70 per cent to 7 per cent. Give them a future, training and the chance of a job and there is a very good chance we might see those concerned not walking back through the doors of a prison or young offenders institution in the future. That is the way forward.

I really want to talk about part 6 of the Bill, which is the culmination of a three-year campaign to try to bring justice for Jane Longhurst, who was brutally murdered by Graham Coutts, a self-confessed addict of violent internet pornography. We do not want justice for Jane through the criminal justice system, because Coutts is doing a very long time in prison and both of his appeals, I am delighted to say, have been rejected. We want justice for Jane through the parliamentary system because, frankly, the internet has changed everything.

The extreme material that will be outlawed by the Bill covers acts and imagery that are already illegal under the Obscene Publications Act—legislation that was introduced in an age before computers and the internet, to deal with newsagents and publishers. We cannot go after the publisher of material if it is from an internet site whose server may be based in Guatemala and contains, produces or puts into cyberspace images of young women being captured, raped live on camera and sometimes killed to feed this evil trade and to promote private profit and sexual gratification. We have to go after the imagery itself. We must build on the successful legislation that has outlawed images of child pornography. If we cut that end of the market, we start to deal with the trade, and that is exactly what part 6 of the Bill—a part that is well crafted, sensible and well thought through—seeks to do.

I have received opposition, as have my hon. Friend the Member for Brighton, Pavilion (David Lepper) and others, from groups claiming to represent the bondage, domination and sado-masochistic communities. I have learned that they organise themselves into munch clubs—I do not want to go any further into that. Let me make it clear to them that nobody is seeking to

introduce a new level of censorship; we are talking about imagery that is already illegal. If people want to do weird things to each other they still can, but I say, "Don't put it on the internet." I do not need to see it and nor do my constituents—and, more importantly and seriously, those of an unbalanced mind who could be tipped over the edge by violent and extreme imagery do not need to see it, and we do not need to live with the consequences of their actions if they were to see it.

Those of us who have been involved in the issue and this three-year campaign on it are aware of the background, but it might be useful if we were to set out some of the steps that have led to our being, I hope, able to celebrate the start of the passage of these measures into legislation. The House has not had an opportunity to debate this issue in full since the Adjournment debates secured by my hon. Friend the Member for Brighton, Pavilion in May 2004.

On March 14 2003, Brighton schoolteacher Jane Longhurst was horrifically murdered by a self-confessed addict of violent internet pornography. The murderer, Graham Coutts, admitted watching sites featuring necrophilia and violence against women only hours before he killed Jane. He was jailed for life and his appeals against the convictions were rejected. Anyone who saw the CCTV images broadcast on regional television of Coutts revisiting the storage unit where he kept Jane Longhurst's body can be left with no other impression than that dark and evil forces were at work in the mind of that individual. Jane's mother, Liz, comes from Reading, which is why I am involved. She is convinced that had it not been for the corrupting effect of extreme internet sites her daughter would still be alive today.

Outside Lewes Crown court on the day that Graham Coutts was first convicted of Jane's murder, Liz Longhurst appealed to the public and politicians to begin a campaign to protect vulnerable people from extreme images of the rape, torture and murder of women for sexual gratification and private profit. On March 8 2004, there was an event in Reading to mark international women's day, at which the Jane Longhurst campaign against violent internet pornography was launched. It attracted the support of 180 Members of all parties for early-day motion 583, and 50,000 people signed a national petition which it was our privilege to present to Parliament as part of the consultation that was launched by previous Home Secretaries. We attracted the support of Amnesty International; that support was crucial in building a high profile for this campaign. Much more needs to be done, but this is a good start.

Ideally, we would like blocking measures that prevent access—they now exist—to be brought in. We would like all PCs to be fitted with a blocking mechanism before they are sold on the open market—as cars are automatically fitted with seat belts. An obvious measure would be to go after the banks and credit card companies whose processing of payments lubricates this evil trade.

It will be fitting if I end by quoting from a letter that Liz Longhurst sent today to me—in fact, she really sent it not to me, but to all Members.

"Dear Martin,

I am thrilled to realise that on Monday there will be the Second Reading of the Criminal Justice Bill which contains proposed legislation concerning extreme violent pornography.

This is largely the result of your support"—

and that of my colleagues—for

"the Jane Longhurst Campaign and the petition which gathered a substantial number of signatures...I am very grateful too for the active support of David Blunkett and Charles Clarke, successive Home Secretaries, and Paul Goggins and Vernon Coaker who were inspired to incorporate the necessary measures into this Bill."

I would like all Members to reflect on her concluding words:

"If these measures can be enacted, I feel this will be a fitting memorial to my lovely daughter Jane who was murdered by a man addicted to extreme violent internet pornography."

I urge all Members to support this Bill and to help not only to protect vulnerable people from the consequences of extreme pornographic imagery, but to truly achieve justice for Jane once and for all.

9 pm

**Mr. Philip Hollobone** (Kettering) (Con): I am disappointed with the Bill before us this evening for three reasons. First, it does not deal with the problem of illegal immigrants going missing when they jump out of the back of a lorry. Secondly, there is not enough in it about making parents responsible for their children's misbehaviour. Thirdly, nothing in it promotes, on the justice enforcement side of the equation, the status of persistent and prolific offenders, whom, on the Home Office side of the equation, the police are obliged to pursue. In no more than five minutes, I want to run through why those issues are of concern to people in Kettering.

In the middle of September, an incident occurred in Northamptonshire whereby 16 illegal immigrants jumped out of the back of a lorry. Three of them were apprehended by Northamptonshire police, who telephoned the Border and Immigration Agency, only to be told, "Let them go. Let them make their own way to the Border and Immigration Agency office in Croydon," which they then did. The *Northampton Chronicle and Echo* rightly picked up on the outrage that this story caused in Northamptonshire. To think that illegal immigrants had been apprehended by the police, who were then effectively told by another agency to let them go. I was advised earlier in the debate that provision might be made in the UK Borders Bill for filling this loophole. I hope that in the winding-up remarks that guarantee will be given. If it is not, I hope to table an amendment to this Bill to ensure that this procedure does not happen in future.

There is some attempt in the Bill to address the problem of youth misbehaviour, but there is not nearly enough about making parents responsible for the criminal activity of their youngsters. Like my hon. Friend the Member for Ludlow (Mr. Dunne), I had the privilege of serving on the police parliamentary scheme, spending 22 days with the Northamptonshire force. One message that local police officers consistently sent to me was that there was very little in the way of sanction that they could impose on youths under 16 committing criminal offences. I said to them, "If the law were changed so that you could serve a fixed

*[Mr. Philip Hollobone]*

penalty notice not on them, but on their parents, for the offence that those youngsters had committed, would that make your job easier?" The universal response was, "Yes, it would." At the moment, there is effectively a gap in the law whereby no one, neither the youngster nor their parents, is made responsible for their criminal activity.

The third issue is persistent and prolific offenders. I know that the Under-Secretary of State for the Home Department, the hon. Member for Gedling (Mr. Coaker), has pursued it thoroughly, but I want to draw the House's attention to it. The police are given targets for pursuing those known as persistent and prolific offenders—PPOs, to use the jargon. On the wall of Kettering police station, for example, are pictures of all the PPOs in the north Northamptonshire sector whom the police know about. They are pursuing them and they do catch them, but when they bring them before the courts, all too often they are released on bail to commit further offences. It seems to me that the definition that is applied by the police is not being used in the Courts Service. I want this Bill to address that issue, so that known troublemakers can effectively and quickly be locked up, and so that they do not commit crime again.

9.4 pm

**Dr. Desmond Turner** (Brighton, Kemptown) (Lab): I will try to make my contribution brief, and it will also be uncharacteristically sycophantic. My right hon. Friend the Lord Chancellor will not hear a word of criticism from me. He is going to receive pure, undiluted praise, because he promised in his opening speech that the Government would amend this legislation to include a new offence of incitement to hatred for reasons of sexual orientation. What had been intended to be an impassioned plea to the Government to take action will now be a message of absolute, undiluted gratitude.

The Government have already legislated to provide for an offence of incitement to racial hatred and to religious hatred, and that has paved the way for protection on the grounds of sexuality. In Northern Ireland of course, the offence of incitement to hatred on the grounds of sexuality has already been instituted. That was done by the Minister of State, Ministry of Justice, my right hon. Friend the Member for Delyn (Mr. Hanson) in his previous incarnation as a Northern Ireland Minister, and it has incurred virtually no controversy nor has it led to a rash of frivolous prosecutions. In other words, it has been accepted and understood, and we should extend that offence to the rest of the UK.

It is only right that the protection that we already afford to potential victims of hatred because of their race should be extended to gays, lesbians, bisexuals and transsexuals who are as unable to choose their sexual identity as they are to choose their race. I note with sadness that the hon. Member for Arundel and South Downs (Nick Herbert), who spoke on behalf of the Opposition, did not tell us what approach they will take to the provision. It would be nice to know whether they will support a measure that I hope will have universal agreement in this House.

It is not intended that incitement legislation should lead to a rash of prosecutions in the rest of the UK. Rather it should set out the basic principle, which should deter all but the most ardently homophobic, that it is not socially acceptable to incite hatred against gays, lesbians, bisexuals or transsexuals. They have equal civil and human rights with anybody else. Indeed, incitement to hatred for whatever reason should be totally unacceptable in a civilised society.

This is a piece of legislation whose time has come. It will complete a raft of legislation on equalities that the Government have pursued over the past 10 years. I shall not recite the whole list, but outstanding examples include equalising the age of consent, rights to enter the forces, civil partnerships and the banning of discrimination in the provision of goods and services on grounds of sexuality. The pressure group Stonewall, which has provided invaluable support as well as putting pressure on the Government, has seen its agenda virtually completed. With incitement to hatred for reasons of sexuality, we have the final piece of the jigsaw on the table ready to be inserted.

If anyone still doubts the need for protective legislation, they need only look at what is happening around them. Look for instance at some of the allegedly Christian websites in the UK. Christian Voice speaks of

"young people who are being drawn into a lifestyle characterised by disease, degradation, death and denial."

A site called Gay Conspiracy links homosexuality with paedophilia, which is a dreadful, ignorant libel on a significant section of our community. Some reggae groups have published lyrics urging the torture and murder of lesbians and gay men. Some record companies and artists have undertaken not to perform such material in future, but others have not and no legal action has yet been taken to prevent the sale of such material in Britain. The offence of incitement to hatred on the grounds of sexuality would rightly render such content liable to prosecution. Of course, the dear old British National party has also made homophobia a political campaign and promulgated the specious link between homosexuality and paedophilia.

Hate crime is a rising issue. In many London boroughs, the Metropolitan police report an increase in homophobic hate crime and the trend is rising throughout the country. In my city of Brighton and Hove, the figures for homophobic crime reported to the Sussex police show an increase from 135 in 2005-06 to 184 in 2006-07. That is just one city. The majority of those cases were assaults, followed by public order and harassment offences.

In Brighton, we are fortunate to have a police anti-victimisation unit. One of the sergeants who works there said:

"As always the figures themselves tell an incomplete story. We believe that there is still a degree of under-reporting particularly amongst those who are victims of homophobic crime."

The Home Office estimates that as much as 90 per cent. of homophobic hate crime goes unreported.

Most of the House would agree that the case for action has been firmly established. If the Lord Chancellor wants any help with drafting, I can offer him a ready-drafted complete new clause for the Bill, but I am sure that he is already on the case.

I conclude by repeating my gratitude to my right hon. Friend for promising action, and that gratitude will be mirrored, especially in my constituency of Brighton, Kemptown, by a large section of the community. I am proud of what the Government are proposing. I am proud of all that my Government have done in the field of equalities over the past 10 years.

9.11 pm

**Mr. Charles Walker** (Broxbourne) (Con): I shall endeavour to be brief as I know that other Members want to speak. I have a few observations about the Bill.

I am all for building more prisons in the short term, but we have to make sure that in the long term people go to prison only once whenever possible, and that while they are in prison they receive the support they need, through education or addiction programmes, to become productive members of society. Prison should not be a revolving door and I hope that the Bill gives us the opportunity to improve the Prison Service to ensure that people are given a chance once they leave prison.

My second point is about youth offending. As my hon. Friend the Member for Kettering (Mr. Hollobone) said, we must engender parental responsibility. The first time a youngster smashes down a bus shelter, the parents should pay a fine. The second time, they should pay a fine and pay for repair of the bus shelter and the third time, they should appear in court alongside their child to face a magistrate or a judge. Unfortunately, only when we start to hit parents in the pocket will they start to take responsibility for their children. Society has a role in raising young people, but no role is greater than that played by their parents.

My third point relates to antisocial behaviour and alcohol. Most assaults against NHS staff—certainly in accident and emergency departments—are committed by people who are drunk. Most assaults in society are committed by people who are drunk. As a taxpayer, I am fed up with my taxes having to pay for the police to manage the people who commit such crimes. It is about time that we looked to the alcohol industry to pay a levy—a proper contribution—towards the policing of our streets and, if need be, the policing of our hospitals. Football teams pay for policing on match days, so the alcohol and pub industry should put their hand in their pocket to fund crime prevention on our streets and in our hospitals.

I agree that citizenship should be earned; it is a great privilege to be a citizen of this country. If people come to this country and earn citizenship over 10 years that is a good thing, but if having earned citizenship they commit heinous and hideous crimes, there should be the possibility of revoking it. We may have to deport people to places with a less humane outlook than ours.

My last point relates to the possession of extreme pornographic material. I, too, am concerned about what comes over the internet; there is some horrible, nasty and unpleasant stuff. Clauses 64 to 67 are not as good as they could be—there is potential for contradiction, such as in the case of a film called "Hostel Part II", which I have not seen but has been reported on by a number of people I trust. From beginning to end it depicts obscene, misogynistic acts of brutality against women—an hour and a half of brutality—yet that film has been passed by the British Board of Film Classification for public release to people aged 18 and over.

I understand that, although the Bill will not make that film illegal, it could make it illegal for someone to take stills from that film, because they could be deemed to have a purely pornographic nature. If it were deemed that stills from a film such as "Hostel Part II" were of a pornographic and unacceptably violent nature, it seems madness that that film should be allowed on general release. I hope that, as the Bill is considered in Committee, we will look at those concerns to ensure that that part of the Bill is as watertight as it can be.

I have spoken for four minutes, and I shall shut up and sit down.

9.15 pm

**John McDonnell** (Hayes and Harlington) (Lab): I will concentrate on clause 72 and be as quick as I possibly can.

Earlier this year, I hosted a meeting of a coalition of organisations called Safety First, which is looking at issues that surround prostitution, particularly the plight of prostitutes and their families. The organisations include the National Association of Probation Officers, the Royal College of Nursing, the Sex Worker Project, the Multiple Choice Rehabilitation Centre, the Zacchaeus Trust, various religious leaders, the English Collective of Prostitutes, the GMB branch of sex workers and two brave individuals, Pauline Campbell—the mother of Sarah, who lost her life in Styal prison—and Toni Cole, the former prostitute who brought the first private prosecution for rape in this country.

The coalition came together in the aftermath of the five young women who were murdered in Ipswich. The response of the community and people of Ipswich was not to blame the women themselves, but to do all that they possibly could to ensure the safety of such women in the future. The coalition pointed to the criminalisation of consenting sex as a major cause of risk to safety that prevents women from seeking assistance and protection and exiting prostitution. Why? Because criminalisation pushes prostitution underground. It makes women more vulnerable to attack and less accessible to support. Many felt strongly that, by focusing on remedies in the criminal law, we avoid the underlying issues and causes of women entering prostitution and the need to provide real support to allow them to exit it.

The coalition fears that clause 72 will criminalise prostitution once again, and thousands of women face the risk of imprisonment as a result. The Secretary of State did not take us through clause 72 when he introduced the Bill, but the clause will introduce the compulsory rehabilitation order and promotes it as an alternative to a fine. Anyone who is arrested for loitering or soliciting will be forced to attend three meetings with a supervisor approved by the court

"to promote...rehabilitation by assisting the offender...to address the causes of"

their involvement in prostitution and to find ways to end that involvement. Failure to attend any of those sessions will result in a further summons and a possible 72 hours' imprisonment. Magistrates will have powers

*[John McDonnell]*

to make subsequent orders. So women could be forced on to a treadmill of orders, failure to attend, further orders and imprisonment, and round and round they go again.

There is deep scepticism about the implications and effectiveness of these new orders. Within the criminal justice sector, NAPO has said that they will be unworkable and that they will turn the law back 25 years, to when imprisonment was the norm for prostitution. In the 1980s and '90s, the fines were increased, so that those who were unable to pay eventually went to prison. We found that, even then, 11,000 women were found guilty and put at risk of detention. In 2003, as a result of a lot of campaigning against such draconian measures for prostitution, on average, about 3,500 prostitutes were brought before the courts.

NAPO's view is that, if the Bill goes through, we could return to a situation where up to 11,000 and more women are detained and imprisoned, when our prisons are overflowing. Magistrates will use these powers as an alternative to fines and will find them increasingly attractive. I shall briefly quote Harry Fletcher from NAPO, who said:

"Thousands of prostitutes will be criminalised and face three days needlessly in jail at a time when the system is in meltdown."

Such a proposal is practically almost irrelevant.

John Furniss of the Multiple Choice Rehabilitation Centre said:

"Three meetings is window dressing and meaningless. People will miss meetings due to their drug use."

As we know, 93 per cent. of prostitutes have a drug dependency, according to Home Office figures. The proposal could be dangerously counter-productive. Siobhan Kilkenny from the Sex Worker Project says:

"Criminalising these people in whatever way it is dressed up will make the most vulnerable and invisible more vulnerable and more invisible and allow tragedies like the Ipswich murders to happen again."

Further stigmatisation will force people underground and make them more vulnerable to violence and rape; in the past 10 years, 60 women prostitutes have been murdered.

There are alternatives. We are taking the wrong approach; we should be taking the approach recommended by the Home Office itself: moving away from traditional enforcement under police crackdowns, and shifting prostitution from being a policing problem to a welfare issue. In those reports, we have said that we need to understand why women go into prostitution and why it is that, as a result of drug dependency, unemployment, housing problems and poverty, they are forced into that role.

We need to create and invest in an effective response, which was set out in the Home Office reports of 2004 and 2006: early intervention, multi-agency working training professionals, outreach workers, one-to-one support, fast-tracking into drugs programmes that are crucial to stabilisation, fast-tracking into emergency accommodation, advice and assistance and specialised support for victims of domestic violence.

All those matters are ready to hand, but they require investment of resources, and I regret that there have been cuts in the drugs programmes in recent years. We need to move forward into a caring, welfare approach, rather than a criminal process. We need to look at the resources. On that basis, when the Bill comes back on Report, I will seek to remove clause 72 and insert clauses that realistically tackle the problem and measures that provide the alternative resources to invest in the solutions that are needed and that the Home Office itself has recognised.

9.21 pm

**Harry Cohen** (Leyton and Wanstead) (Lab): I support much of the Bill, but I want to raise two separate matters. I shall be brief, because of the time available. First, I should like to mention sex. Clause 64(6)(b) mentions an image of an act

"which appears to result...in serious injury to a person's anus, breasts or genitals".

I agree with virtually all the clause, and I understand the motivation behind Liz Longhurst's campaign, but my problem is with the phrase "appears to". That will catch all sorts of things that it should not. I have several examples, but time precludes me from raising them. The Government should consider that sub-paragraph, which could be problematic for the future.

Secondly, I want to raise the much more important issue of children. In the Bill and the notes on it, there are some 15 new conditions and requirements on youth rehabilitation orders—plus another one: the Secretary of State can do what he likes and set another condition on youngsters "by order". A lot of the conditions are okay in themselves, but the approach is unbalanced. For example, a youth offender team manager stated:

"During the seven years that YOTs have been established, apart from limited finance to establish ISSPs, there has been no additional funding made available to enhance the quality of work with those already in the system. This is despite a 26 per cent. increase nationally in youth court business over the past four years."

Rod Morgan, the former chair of the Youth Justice Board, says:

"We are criminalising more and more children and young people—an increase of 26 per cent. between 2002 and 2006—in a period when all the evidence suggests that the incidence of youth offending fell."

In June, I received a letter from the Howard League for Penal Reform that stated:

"In statistics published by the Council of Europe in 2005, England and Wales was found to have jailed 2,274 children"—

the figure has gone up since then—

"compared to 1,456 in Germany, 628 in France, 73 children in the Netherlands and nine in Norway.

The profligate use of prison for children, the infliction of pain and injury to control children behind closed doors, child deaths in custody, lack of physical exercise and the use of segregation blocks that might be said to resemble modern day dungeons, are all ways in which the treatment of children in custody amounts to child abuse and in some cases may actually be criminal...In 2002, when considering the last report of the UK government, the UN Committee on the Rights of the Child stated that the government had to

'establish a system of juvenile justice that fully integrates into its legislation, policies and practice the provisions and principles of the Convention', including by raising the minimum age for criminal responsibility, ensuring 'that no child can be tried as an adult irrespective of the circumstances or gravity of his/her offence', ensuring 'that detention of children is used as a measure of last resort and for the shortest appropriate period of time and that children are separated from adults in detention'".

That just has not happened. What we have is a cluttering of the system with relatively minor cases, too many prosecutions instead of pre-court settlements, and insufficient discretion—for example, for the police to deal with matters in situ, or for youth offender teams, or for courts to filter out cases where children's welfare needs are readily apparent and should take priority. Cases such as those involving mental health or family neglect should be diverted away from the court system. Instead, we have adult Crown courts used for children, detention alongside adults, some sentences that are worse for children than for adults for the same offence, and restraint to such an extent that in a recent 18-month period there were more than 2,000 injuries to children in custody. The Howard League for Penal Reform says that, since January 2002, six children have died in custody. That amounts to degrading punishments, and detention not as a last resort, as it should be.

The age of criminal responsibility is the lowest in Europe: 10 in England and Wales and eight in Scotland. A 10-year-old is presumed to be as criminally responsible as a fully mature adult. The Government insist that they will not revisit the age of criminal responsibility, but I strongly believe that there should be a proper review. There should, at least, be a layered response to children who commit offences. The welfare of the child should take precedent over being punitive and the child's continued development still needs to be nurtured, whatever the punishment. Rod Morgan argues that some changes for the better can be made administratively, but we have yet to see them and the Bill is an unbalanced approach to dealing with child offenders. Again, the Government should think again.

9.26 pm

**Dr. Evan Harris** (Oxford, West and Abingdon) (LD): I would like to associate myself with the remarks of the hon. Member for Hayes and Harlington (John McDonnell), who spoke on the laws relating to prostitution. It is certainly true that, given all the reviews that have taken place, it is necessary for the Government to do something more about harm reduction and less about criminalisation. Only in that way will we be able better to protect the women involved in prostitution. In particular, it is essential that we crack down on the really serious and unacceptable side of the sex industry: the trafficking of women, their exploitation, the prostitution of children, which is an unacceptable evil, and the exploitative pimping that goes on. Those things should be concentrated on.

In that respect, it is extremely disappointing that in the Home Secretary's recent announcement about reflection periods for victims of trafficking for sexual purposes there is still no plan or proposal by the Government to provide residency permits. Such permits have been provided in other countries, where they have had a significant impact, as the Joint Committee on Human Rights found in its inquiry into the matter. That inquiry included a trip to Italy, where such permits have been provided. There have been multiple prosecutions of the evil traffickers who are involved in the exploitation of women, simply because women are able to come forward—because they will get protection.

I would also like to associate myself with the remarks made by the hon. Member for Brighton, Kemptown (Dr. Turner), who has a long tradition of campaigning on matters to do with equality on the grounds of sexual orientation. He is not entirely right that the Government's record on this matter has been uniformly good, because they started off very badly and slowly. However, recently their performance has picked up a lot, particularly with regard to the goods and services provisions, including those in Northern Ireland, which the Minister of State, Ministry of Justice, the right hon. Member for Delyn (Mr. Hanson) was involved in and which were pretty tough—in fact, the judicial review found that they were a little too strong in certain areas.

I feel—I speak as the president of Liberal Democrats for lesbian and gay equality—that there is a real problem with homophobic hate crime and it is right that there should be an offence of incitement to homophobic hatred. The only question that remains for me, and I suspect for colleagues on the Liberal Democrat Benches, is how that is balanced against free speech. It is regrettable that we did not have this offence before the offence of incitement to religious hatred, since I think that the incidence is greater. The best ways to tackle homophobic hatred are through proper, balanced sex and relationships education in the national curriculum that makes it clear that one cannot and should not stigmatise lesbian and gay people, and by tackling homophobic bullying far more assertively.

As the Lord Chancellor himself accepted, there will have to be a debate on the wording of any offence, in order to ensure that people with whom I disagree, often coming from a religious perspective, do not find that their words are criminalised. The hon. Member for Brighton, Kemptown, mentioned Christian Voice, which speaks about

"young people who are being drawn into a lifestyle characterised by disease, degradation, death and denial."

That is rubbish, and it is offensive—there is no doubt about that—but criminalising it would create major problems. It is far better to debate. I do not believe that people who hear pastors go out and commit violent criminal offences. I think that it is often thugs, and people who grow up believing that gay people should not have full rights, who commit those offences. I believe that we can find a compromise that will protect the ability of some religious organisations—and we are by no means talking about the majority of Christians, for example—to spout words that I think are horrible nonsense, but that should not be criminalised.

Finally, on the issue of extreme pornography in part 6 of the Bill, as Liberty says in its briefing,

"Extreme caution should be exercised when new criminal laws are imposed with the intention of imposing a subjective opinion on what is morally acceptable...the state should be required to provide justifications for legal restrictions on pornography, and to demonstrate that a proposed measure does not go further than is necessary."

Liberty goes on to say that it is vital that

"legitimate and undamaging behaviour is not unintentionally criminalised by carelessly drafted, over-broad criminal offences."

It is concerned

"about the breadth of the proposed new offence",

which

"might criminalise people who cause no harm to others and who possess pornographic material involving consensual participants."

*[Dr. Evan Harris]*

Ministers have not provided an evidence base for some of the material that will be covered by the measure. Despite the eloquent testimony that Members have given about an individual case, if we do not have evidence that the material causes harm, it is right that the House should subject the proposals to close scrutiny. We must ask why, for example, the Obscene Publications Act definition is not being used, and why another definition, which, it is argued, is broader, is being used. I can see no reference to compatibility with the Human Rights Act 1998 in the Government's explanatory memorandum, either; that will need to be tested. I would be grateful if, in his response, the Minister set out the evidence that justifies the measure. I understand that time is limited, so I shall leave my remarks there.

9.32 pm

**Kerry McCarthy** (Bristol, East) (Lab): In the brief time that I have, I will focus on one aspect of the legislation: the proposals to tackle on-street prostitution in clauses 71 to 73. I will start by putting the matter into a local context. Parts of my constituency and the neighbouring constituency of Bristol, West, have been blighted for many years by highly visible on-street prostitution. I have seen it while out on patrol with the vice squad, when out on the beat with local police officers, and on numerous other occasions when I have been out and about in the constituency.

I have seen one woman, who is well known to the local police, walking down the street in broad daylight with her skirt hitched up around her waist, effectively naked from the waist down—and this on one of the busiest main roads in Bristol. I have heard from a local resident who has had prostitutes tapping on his car window as he pulls into his drive, and on one occasion, even jumping into the passenger seat. He is terrified that the police will one day accuse him of kerb-crawling. Local residents complain of finding sex and drug-related debris, such as dirty needles, used condoms and contaminated foil, in areas where they walk their dogs, or where children play. There are two primary schools, May Park and Millpond, where young children coming out of the school gates in the middle of the afternoon have been confronted by prostitutes touting for business. What does a parent say to children in such a situation? I wholeheartedly support the underlying premise of the Government's strategy for prostitution—that we should challenge the view that street prostitution is inevitable and here to stay.

Some people argue that it is not the state's role to interfere in how women choose to live their lives. They argue that women engaged in such work are exercising free choice, or are somehow in control of their actions, but I would ask them to speak to the woman whom I met the other day, who told me about the 14-year-old who works the street outside her front door. The child is regularly picked up by the police, taken into care, and just as regularly returns to the streets. Or they could talk to the woman whom I watched the vice squad apprehend last year. She was caught more or less in the act with a client, only half-hidden from the view of the street. She had just come out of prison. She told the police that she had kicked her heroin and crack habits, she was being tested regularly at her hostel accommodation, and she was keeping to her curfew. She was trying to get back her young children, who had been taken into care. And yet there she was, back out on the streets, within days of her release, entering into what any reasonable person would see as a totally sordid, totally soul-destroying sexual transaction with a complete stranger.

Those people should also look at the figures in the regulatory impact assessment, which show that 85 per cent. of those involved in prostitution report having been physically abused by family members, and that 45 per cent. report being sexually abused by a relative. They also show that 75 per cent. of women were under 18 when they were originally coerced into prostitution, and 70 per cent. have spent time in care. As many as 95 per cent. use prostitution to support their own, and often a partner's, drug use.

That is why I support the proposal in the Bill to introduce compulsory rehabilitative orders, with mandatory counselling, and the possibility of remanding people in prison for up to three days if they fail to comply with the court orders. I accept that there are concerns about this approach. The Prison Reform Trust, for example, has said that the provision

"fails utterly to understand that vulnerable people with chaotic lives can't be asked to walk a tightrope".

However, it is precisely because these people have such chaotic lives and are, in so many cases, not ready, able or willing to help themselves, that we have to be more determined in our approach. The alternative would be to allow them to descend into a downwards spiral, until possibly—just possibly—they decide of their own accord that they have reached rock bottom and need to pull themselves out of it. Of course, far too many women reach rock bottom and simply stay there.

My local vice squad believes that there will have to be penalties if the new system is to work. Like virtually everyone else who responded to the "Paying the Price" consultation, it believes that the current system of fines just encourages street workers to go back to work to pay them off. So the vast majority of those apprehended for on-street prostitution in Bristol—around 83 per cent. of them—simply receive cautions. Of the few who do appear before the courts, some may be referred to drugs agencies, but there is no deterrent for those who choose not to attend rehabilitation programmes. The new proposals would introduce such a deterrent and could provide the incentive needed.

I could go on to talk about the need for sufficient support structures—

**Lynne Jones**: Will my hon. Friend give way?

**Kerry McCarthy:** No, I am about to come to an end.

I could go on to talk about the need for sufficient support structures within the voluntary sector, or about increased funding for drugs projects—as I have said in this place several times, Bristol is woefully underfunded in comparison to other cities—but I know that at least one other speaker on this side has been waiting a long time to speak, so I shall conclude on that remark.

9.37 pm

**Fiona Mactaggart** (Slough) (Lab): I will be brief. Members might recall that when I was the Minister in the Home Office responsible for prostitution strategy, I

was labelled "Madam Minister" for wanting a brothel on every street corner, after I had suggested that two women working together in a flat should not be prosecuted for running a brothel. I am disappointed that that proposal is not in the Bill, and I would be interested to hear what the Minister has to say about that in his summing up. Will he tell me whether legislation would be required to achieve that?

Since then, the same media have also accused me of being a priggish, power-crazed, interfering, feminist ideologue. This was because I argued on an issue that was raised during those debates. I was asked why the Government did not prosecute for rape men who paid for sex with trafficked women. The answer was that the way to discover trafficking and to prosecute the traffickers was often through the men who were those women's clients. At that point, it seemed right not to prosecute them because the women would be safer if we did not do so.

However, I began to think that there must be a better way of doing this, so I looked up which countries in the world were better at reducing the incidence of trafficking. It became clear that about 800,000 people are trafficked across borders every year—four fifths of them women—usually for sex. It is estimated that 80 per cent. of the women in London's brothels are from overseas. So where is trafficking being reduced? There is clear evidence on this. A European study suggests that Sweden, which criminalises men who pay for sex, has massively reduced the incidence of trafficking. Between 400 and 600 women were trafficked into Sweden in 2003, compared with Denmark, where the number was between 2,000 and 4,000.

Police officials confirm that this is the case. Kajsa Wahlberg, a detective inspector in the Swedish national criminal police, eavesdropping on telephone calls between traffickers, noted that they complained that Sweden was a bad market, and that buyers were afraid of getting caught. They said that they had to have an apartment, and that they had to move the women around. That police officer said that unlike brothels in Oslo or Copenhagen, where there might be 50 women in each, there were usually just two or three women in the brothels broken up in Sweden. Clearly, Sweden managed to drive down the incidence of trafficking by criminalising payment for sex.

My view is that the Bill does not go far enough. On the 200th anniversary of the abolition of the transatlantic slave trade, I strongly urge the Minister to end today's modern slavery, which is women enslaved into providing sexual services. If we in Britain followed the Swedish model, we would, just by that act alone, reduce the trafficking and the enforced sexual slavery of women and make our society a better one for everyone to live in.

9.40 pm

**Mr. Edward Garnier** (Harborough) (Con): This has been a crowded debate, albeit one that we started late. If I may say so without being thought impolite, it is a tribute to the good behaviour of Members who restricted themselves to the allotted 10 minutes or less that as many as 19 hon. Members have been able to speak. I am the 20th Member to contribute to the debate.

I begin by inviting the Minister to clarify the mess on the Order Paper whereby the programme motion suggests that Committee proceedings will come to an end on 30 October. That might be welcome to many, but it would not do much good for the scrutiny process. I have some fairly strong reservations about this House's scrutiny proceedings in any event, but to close down scrutiny of this Bill on 30 October would be an error. I dare say that the Minister and the Government can sort out that mess. If they attempt to do so, we will endeavour to co-operate. Where we will not co-operate is in respect of the carry-over motion. We disapprove of a Bill of this importance and complexity being carried over. It should have been introduced at the beginning, not the end, of a parliamentary Session and it should have been granted the full rigour of a decent period of scrutiny unencumbered by a break and a new Session of Parliament.

This is not only the umpteenth Bill from this Department or its predecessor, but it is wholly typical of Government legislation in this field—and perhaps in others—that we are presented with a Bill that has 84 pages of text relating to the main clauses and about 150 pages of schedules. If you want to understand what the Bill is really about, Mr. Speaker, I suggest that you read the schedules first and then perhaps look into some of the clauses at leisure. That way, you will make more sense of the Bill.

If I may say so, the Bill is rather like a plum duff: there is an awful lot of duff and one or two plums. We will support the picking out of the plums, but we are very unhappy with the duff—and there is plenty of it. When presented with a delicious-looking pudding by his wife, Winston Churchill said that the pudding "has no theme". This Bill has no theme: it is muddled and confused. As the right hon. Member for Cardiff, South and Penarth (Alun Michael) suggested, even though he was able to give it his support, it is a Bill that could do with rather greater concentration on what it is intended to do.

**Alun Michael:** Will the hon. and learned Gentleman give way?

**Mr. Garnier:** I will in a moment, but I have quite a lot to say in a short period of time, and I was not criticising him, but the Bill.

**Alun Michael:** I have been misquoted.

**Mr. Garnier:** Well, we can deal with that in a minute or doubtless the right hon. Gentleman can write to the newspapers to get it sorted out—*[Interruption.]* The right hon. Gentleman has been absent, no doubt doing very important campaigning work on behalf of his benighted party over the last day or two.

**Alun Michael:** Will the hon. and learned Gentleman give way?

**Mr. Garnier:** No. I have already said that I will come back to him. He has had plenty of time over the last 20 years to make his mark in the House.

I want to welcome and congratulate our two maiden speakers, the hon. Members for Sedgefield (Phil Wilson) and for Ealing, Southall (Mr. Sharma). Both

*[Mr. Garnier]*

Members represent entirely different constituencies—one in the north and one in west London—but both bring with them, if I may say so, the enthusiasm and keenness of new Members, which is very proper, and the proper pride that they have, both in their election and in the constitutional duty, which they have taken on, to represent their equally interesting but diverse constituencies.

The hon. Member for Sedgefield properly mentioned his predecessor—a man who was quite familiar to many of us in the House, although it is probably fair to say that in the short time that the hon. Gentleman has been a Member of the House his attendance has perhaps been a little better than that of his predecessor. None the less, I thank the hon. Gentleman for his contribution this evening and look forward to further contributions. The only omission to which I can point in his Baedeker's tour is his failure to mention Sedgefield race course, which is well known to a number of us. I perhaps ought to tell him that the going for his party will get pretty sticky over the winter, as I hope he will come to appreciate.

The hon. Member for Ealing, Southall claimed that his constituency is the home of Ealing comedy. We have learned, since the coming into the House of the hon. Member for Ealing, North (Stephen Pound), that the home of Ealing comedy is perhaps in that constituency, rather than the other. None the less, it was a pleasure to hear the hon. Member for Ealing, Southall speak this evening, and also to hear the proper praise and regard that he showed for his predecessor, the late Piara Khabra, who was well liked and is greatly missed.

That said, may I, as quickly as I can, concentrate on a number of points that have been raised by the many speakers this evening? The former Home Secretary, now Secretary of State for Justice and Lord Chancellor, who has returned like the proverbial quadruped to this feast, entertained us with a discussion so diffuse and so wide ranging that he had to get down to the letter M, according to my note taking, before he completed his trawl through the Bill.

It would be of great assistance to the law-making conduct of the House, and to Parliament as a whole, if, when we had a criminal justice Bill, it dealt with criminal justice, and when we had an immigration Bill, it dealt with immigration, and that neither incidentally dealt with all sorts of other things. Worthy aims though the other provisions seek to hit, the current process leads to rather complicated, and therefore less popularly understandable, Bills. *[Interruption.]*

Anyway, the fact that the Secretary of State, who like all good trainee barristers is mumbling to his leader, "He should shut up," will not prevent me from continuing to speak, because a great deal more needs to be said about this appalling Bill. As I say, there are 13 separate subjects which the right hon. Gentleman attempted to cover. It is hardly surprising that my hon. Friend the Member for Arundel and South Downs (Nick Herbert) was able to fillet what the right hon. Gentleman had to say, digest the good bits and spit out the bad. We shall continue that process in Committee.

The right hon. Member for Leicester, East (Keith Vaz), my constituency neighbour and the new Chairman of the Home Affairs Committee, mentioned violent offender orders, now colloquially called VOOs, as well as immigration, sentencing and miscarriages of justice—several discrete areas that belong to the Bill and which will need a great deal of attention. I trust that he, in due course—if not in Committee, then certainly on Report—will apply his mind to improving the Bill because, my goodness, it certainly needs it.

The hon. Member for Somerton and Frome (Mr. Heath), who helped us with the procedural aspects of the Bill, also went on to agree with the Conservative party on the need for honesty in sentencing, to have concerns about VOOs and to welcome one of the plums, if that is what it is, in this plum duff—the advance of the criminal law to protect NHS workers in hospitals. It may be that we shall see an amendment tabled to protect those working in GP surgeries. That point was raised by the hon. Member for Walthamstow (Mr. Gerrard).

The hon. Members for Brighton, Pavilion (David Lepper) and for Brighton, Kemptown (Dr. Turner) mentioned similar but distinct issues. I must gently persuade the hon. Member for Brighton, Kemptown that he was wrong to criticise my hon. Friend the Member for Arundel and South Downs for not mentioning homophobic crime—he did do so, and said that we would, as we always do, consider the matter with great care. The hon. Member for Brighton, Kemptown talked about the issue generally, and we will look carefully at whatever amendment the Government bring forward before we reach a conclusion on the matter.

The hon. Member for Brighton, Pavilion, the hon. Member for Reading, West (Martin Salter) and several other Labour Members—I hope that they will forgive me if I do not mention them by name—mentioned the problems of internet pornography. My hon. Friend the Member for Mole Valley (Sir Paul Beresford) has been a long-standing champion of the need to improve the protection of children in particular from sex offences. *[Interruption.]* Yes, there are 51 minutes in the hour, and there are probably a few more.

The right hon. Member for Berwick-upon-Tweed (Mr. Beith) mentioned the shaky foundations of the Bill, and listed a catalogue of issues that needed to be dealt with before it could properly become law. My hon. Friends the Members for Monmouth (David T.C. Davies), for Kettering (Mr. Hollobone), for Ludlow (Mr. Dunne) and for Broxbourne (Mr. Walker) each briefly but powerfully mentioned a host of issues demonstrating that the Bill needs huge improvement. Other hon. Members, such as the hon. Member for Hayes and Harlington (John McDonnell), possibly the hon. Member for Leyton and Wanstead (Harry Cohen), and the hon. Members for Oxford, West and Abingdon (Dr. Harris), for Slough (Fiona Mactaggart) and for Bristol, East (Kerry McCarthy) mentioned their concerns about the issue of prostitution. We agree with the Government that the expression "common prostitute" is inappropriate, ugly and wrong. We should be considering why those women are in prostitution—they are largely victims of drug abuse. I look forward to trying to persuade the Government, even in their last and rather sticky weeks or months of government, to improve the Bill in a way that renders it coherent and publicly acceptable.

9.52 pm

**The Minister of State, Ministry of Justice (Mr. David Hanson):** Today's debate has been constructive, and I am sorry that I have only seven and a half minutes to reply to it. I welcome the broad measure of support from both sides of the House for many of the Bill's provisions.

I want to welcome my two new hon. Friends the Members for Sedgefield (Phil Wilson) and for Ealing, Southall (Mr. Sharma). My hon. Friend the Member for Sedgefield made a good maiden speech; he has a hard act to follow, and he knows that. The values outlined in his speech, however, are the Labour values of progression, of support for communities and of reflecting his community, which will stand him in good stead in the House. Like him, I am the son of a coal miner, and we believed in aspiration. The aspiration that he showed for his constituency is welcome.

My hon. Friend the Member for Ealing, Southall also made an excellent maiden speech. He mentioned that the Leader of the Opposition had visited his constituency five times. I do not suspect that he will see him again in the near future. He not only follows a model MP in Piara Khabra, who was a sad loss, but sets a trend for the future, and I know that he will be a good constituency MP.

First, may I satisfy both the hon. and learned Member for Harborough (Mr. Garnier) and the hon. Member for Somerton and Frome (Mr. Heath) in relation to the programme motion? The Government's intention is that the terms of the programme motion should properly give effect to the will of the House, which is that the Committee stage should continue if the carry-over motion is agreed. We will reflect on the terms of that programme motion, and in the event of it not meeting the House's and the Government's objectives, we will bring forward a further motion before the end of the current Session. With that assurance, I hope that hon. Members will vote for that programme motion this evening.

Today's debate has dealt with a range of issues, not least that of the prison population. I have to say to the hon. and learned Member for Harborough that we do have 20,000 extra prison places, and 9,500 new prison places coming on-stream. As the hon. Member for Somerton and Frome and my hon. Friend the Member for Reading, West (Martin Salter) indicated, we have strong work to do on community sentences. The Bill will reduce prison places by just over 1,300 and will make a difference to sentencing policy.

The difference between the hon. Member for Arundel and South Downs (Nick Herbert) and the right hon. Member for Haltemprice and Howden (David Davis), and between the hon. and learned Member for Harborough and the hon. Members for Monmouth (David T.C. Davies) and for Shipley (Philip Davies) who attended the debate, is quite marked. On the one hand, hon. Members are talking about building more and more prison places and, in the words of the right hon. Gentleman, spending as much it takes. At the same time, the hon. Member for Broxbourne (Mr. Walker) and the hon. and learned Member for Harborough want fewer people in prison and a more effective prison regime. The hon. Member for Monmouth wants to spend £6 billion on prison building during this Parliament, while Tory policy from the hon. Member for Arundel and South Downs is to halve prison sentences, not to have honest sentencing.

I welcome the Bill. It will bring forward a range of speedy, fair, efficient and simple measures, which will protect the public and deliver justice for all. My hon. Friends have particularly welcomed the measures on extreme pornography. I welcome Liz Longhurst's campaign in memory of her daughter Jane and the support of my hon. Friends the Members for Reading, West, for Brighton, Pavilion (David Lepper) and for other constituencies for the legislation. I will consider what the hon. Member for Mole Valley (Sir Paul Beresford) said, assess his contribution and see whether we can take further action.

The Bill also contains significant new powers to tackle antisocial behaviour, particularly in relation to hospital premises. I welcome the words of my right hon. Friend the Member for Cardiff, South and Penarth (Alun Michael) in support of those provisions. I particularly welcome the announcement by my right hon. Friend the Lord High Chancellor on homophobic hatred. Provisions in a Bill previously brought into play in Northern Ireland will today send a strong message to society that homophobic hate crimes are not acceptable in a modern-day society. I thank my hon. Friend the Member for Brighton, Kemptown (Dr. Turner) for his support for that piece of legislation.

**Mr. Gerald Howarth** (Aldershot) (Con): Will the Minister give way?

**Mr. Hanson:** The hon. Gentleman has not been in the Chamber all day, so I will not give way to him when there is no time left.

I also want to comment on referral orders for soliciting, which were raised by my hon. Friends the Members for Bristol, East (Kerry McCarthy), for Hayes and Harlington (John McDonnell) and for Slough (Fiona Mactaggart), and the hon. Member for Oxford, West and Abingdon (Dr. Harris). For those convicted, the new referral order will help to try to break the cycle of prostitution by tackling some of its root causes, such as drug abuse. I know that hon. Members in all parts of the House hold various points of view on the issue, but there will be an opportunity in Committee to debate the provisions, which will look at breaking the causes of prostitution, as well as tackling some of the issues before the House today.

I also very much welcome the youth rehabilitation order, as did my right hon. Friend the Member for Cardiff, South and Penarth and, in part, my hon. Friend the Member for Leyton and Wanstead (Harry Cohen). My hon. Friend made various points about the order, but I hope he accepts that it will be about protecting the public, punishing the guilty and, crucially, rehabilitating the offender. We are also introducing the new youth rehabilitation order in the Bill, promoting the use of tough community penalties as an alternative to custody. It is our intention throughout prison policy, both for young people and for older offenders, to look at prevention as well as prison population issues.

Community penalties are important, because experience has, sadly, shown that prison leads to a higher level of reoffending than community penalties. There is an agreement between the hon. and learned

*[Mr. Hanson]*

Member for Harborough and me that we need to consider strengthening community penalties and not just take the simple, blinkered view of many in the Conservative party and invest in prisons at the expense of community sentences and other activities.

Today's debate is about looking at a range of issues to prevent crime and secure a reduction in reoffending. The Bill achieves a great deal. I remind the House that it comes against the background of crime coming down by 35 per cent. since 1997, of the risk of victim coming down to 24 per cent. and of a 40 per cent. increase in the number of offences brought to justice. That contrasts with the Conservative party, under which crime doubled. I commend the Bill to the House.

*Question put and agreed to.*

*Bill accordingly read a Second time.*

## CRIMINAL JUSTICE AND IMMIGRATION BILL (PROGRAMME)

*Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(Programme motions),*

That the following provisions shall apply to the Criminal Justice and Immigration Bill:

*Committal*

1. The Bill shall be committed to a Public Bill Committee.

*Proceedings in Public Bill Committee*

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 30th October 2007.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

*Consideration and Third Reading*

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

*Other proceedings*

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Claire Ward.]*

*The House divided:* Ayes 294, Noes 188.

**Division No. 203]** **[9.59 pm**

### AYES

Abbott, Ms Diane
Ainger, Nick
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, Yvette
Corbyn, Jeremy
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David

Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

**Tellers for the Ayes:**
**Mr. Bob Blizzard and Mr. Sadiq Khan**

## NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Barrett, John
Beith, rh Mr. Alan
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davies, Philip
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Huhne, Chris
Hunt, Mr. Jeremy
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Selous, Andrew
Shapps, Grant
Simmonds, Mark

Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Willis, Mr. Phil
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

**Tellers for the Noes:**
**Nick Herbert and**
**Mr. John Baron**

*Question accordingly agreed to.*

## CRIMINAL JUSTICE AND IMMIGRATION BILL (CARRY-OVER)

*Motion made, and Question put forthwith, pursuant to Standing Order No. 80A (1) (a) (carry-over of bills).*

That if, at the conclusion of this Session of Parliament, proceedings on the Criminal Justice and Immigration Bill have not been completed, they shall be resumed in the next Session.—*[Siobhain McDonagh.]*

*The House divided:* Ayes 296, Noes 183.

**Division No. 204]** **[10.16 pm**

### AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, Yvette
Corbyn, Jeremy
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali

Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, Mrs. Betty
Williams, Hywel
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

**Tellers for the Ayes:**
**Mr. Bob Blizzard and Mr. Sadiq Khan**

## NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Barrett, John
Beith, rh Mr. Alan
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davies, Philip
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swiré, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Willis, Mr. Phil
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann

| | |
|---|---|
| Winterton, Sir Nicholas | Younger-Ross, Richard |
| Wright, Jeremy | **Tellers for the Noes:** |
| Yeo, Mr. Tim | **Mr. Nick Hurd and** |
| Young, rh Sir George | **Mr. John Baron** |

*Question accordingly agreed to.*

## CRIMINAL JUSTICE AND IMMIGRATION BILL [MONEY]

*Queen's recommendation having been signified—*

*Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills).*

That, for the purposes of any Act resulting from the Criminal Justice and Immigration Bill, it is expedient to authorise—

(1) the payment out of money provided by Parliament of—

(a) any expenditure incurred by virtue of the Act by a Minister of the Crown, and

(b) any increase attributable to the Act in the sums payable under any other Act out of money so provided, and

(2) the payment of sums into the Consolidated Fund.—*[Siobhain McDonagh.]*

*Question agreed to.*

## Pre-payment Energy Meters

*Motion made, and Question proposed,* That this House do now adjourn.—*[Siobhain McDonagh.]*

10.29 pm

**Dr. Alan Whitehead** (Southampton, Test) (Lab): I wish to address a continuing and worsening issue: the difference between what people who obtain their energy from pre-paid meters pay for their energy and what everybody else pays, especially those who pay by direct debit. The difference is substantial—perhaps 16 per cent., and rising, of the fuel bill of someone who is paying by pre-paid meter—and, by and large, it falls disproportionately on those who are least able to afford their energy supply.

A substantial number of people have pre-pay meters—3.5 million electricity meters in 26 million meters overall and 2.2 million gas pre-pay meters in 20 million overall. People have pre-pay meters for a variety of reasons: some because it helps with budgeting; some because they got into debt under previous arrangements and the meter was installed, among other things, to repay their energy debts; and some because they have inherited the meters from previous tenants or owners. However, what is true for all of them, without exception, is that they pay more for energy using a pre-paid meter than direct debit customers pay. With the exception of customers of Scottish Power, they all pay more than the supplying company's standard tariff.

Although not all pre-pay meter customers are in fuel poverty, or even among the lower paid, they are disproportionately disadvantaged compared to customers paying other tariffs. Forty per cent. of pre-pay customers are in the two lowest income deciles, which is twice as many as the comparator of all customers. Ten per cent. of pre-pay electricity customers are in fuel poverty compared with only 3.5 per cent. of direct debit customers. In short, those who need affordable energy most pay far more for it than those who do not. What is worse, because of the nature of pre-payment, most of them are not aware of that fact.

The issue is not brand new. The recent energy White Paper stated that the

"cost differential between direct debit and pre-payment meters (used by a relatively high proportion of low income households) is increasing, standing at about £120 for a combined gas and electricity bill compared to £84 in 2005".

At the time, as I have pointed out, that was a 16 per cent. difference in the average gas and electricity bill.

As the White Paper noted, the differential in 2005-06 was about £70, which was worse than the previous year, and it is even worse now due to the effect of aggressively low-priced online tariffs. The differential may now be about £150 for a combined gas and electricity bill, and it is running out of control.

In January 2007, the matter was raised in the House by several Members during a debate on energy costs initiated by my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke). The National Housing Federation constantly raises the issue with Members and Ministers, and I am indebted to the federation for advice and information for this debate. Members have tabled questions and a recent early-day motion on the subject attracted the signatures of 172 right hon. and hon. Members.

I am not drawing the attention of the House to something new, but as matters stand, it seems that the differential is on an inexorably widening path and, as far as I can see, for no good reason other than that it is possible for energy companies to levy differential charges with little comeback from the regulatory authorities. It is stated by some of the energy companies, and indeed recently by Ofgem, that pre-pay meters cost more to administer than direct debits or standard tariffs; there is the meter, the cost of recalibrating when tariffs change and paying post offices and shops to provide top-up points for cards. Ofgem suggested that the overall cost merited a difference of £85 per year between a direct debit customer and a pre-paid meter customer.

Those are raw data and do not include the fact that pre-paid meter income is 100 per cent. secure, unlike direct debits, which can fail through lack of funds, or standard bills, which can go unpaid or need chasing. Indeed, that security of payment is of significant benefit to the energy companies.

Overall, those differentials, however things are cut, do not justify the differences in charge, nor do they explain why the difference keeps widening or why there is such a variation in charges between energy supply companies. Indeed, one company, Scottish Power, runs pre-pay meter tariffs that are lower than the standard tariff. How come, I wonder, it has not gone out of business by doing so? Indeed, the variations are quite considerable and the differential is highest on dual-fuel tariffs.

Customers of British Gas pay £107 more on pre-pay gas meters than the average price for gas on direct debit and £33 more for electricity. Customers of EDF pay 25 per cent. on average more for gas pre-paid than for gas on direct debit and £8 more for electricity—the same as the standard tariff. Customers of npower pay £72 more on pre-pay gas meters than on an average direct debit and £81 more for electricity. Powergen customers pay £91 more for gas and £33 for electricity. Scottish and Southern customers pay £77 more on average for gas on pre-pay meters than on direct debit and £22 more for electricity. Customers of the only company with a lower tariff than the standard tariff—Scottish Power—pay £30 more on a pre-pay meter than on the average direct debit and £49 for electricity.

For dual-fuel customers, the gap is even wider. npower has a gap of £184; British Gas, £152; Powergen, £141; Scottish and Southern, £115; Scottish Power, £93, but the price is cheaper than the standard dual-fuel tariff; and EDF, £68.

Ofgem has recently announced that it intends to run a campaign to persuade pre-pay meter customers to switch. On the basis of those figures, that perhaps looks promising at first sight. Scottish Power should clean up. But there are big problems in relying on switching to get to grips with this problem. It might make some marginal difference, but only a marginal difference, for two reasons. Many pre-pay meter customers are unaware that they are paying more. The bills are not added up and compared in the way that they might be with other forms of tariff. Indeed, an Ipsos MORI prepayment customer workshop in February 2007 for Ofgem stated, after interviewing various participants, that

"only three out of 20 gas pre-pay meter customers and seven out of 28 electricty pre-pay meter customers knew theirs was not the cheapest method of paying."

In any event, some pre-pay meter holders are in debt because of recalibration—the process of back charging to recover delays in the recalibration of meters following tariff changes. That has gone down: 115,000 or so people are now in that situation. The figure was more than 400,000 before Ofgem took action in December 2006. However, those people will not be switchers, even if they know that their meters are more expensive. Larger numbers of people than that—some 500,000 electricity customers and 300,000 gas customers—are repaying debt incurred by non-prepayment meter arrangements. That represents 13 to 14 per cent. of all meter customers, and those people will not be switchers either. So what might we do?

The White Paper also says:

"We are concerned about these increases, and will look at ways to encourage best practice in protecting the most vulnerable consumers from the large differences in bills because of the payment method they use."

I recognise that the social tariff arrangements that EDF and British Gas have adopted go some way to assist those who are most vulnerable with their payment of gas and electricity bills. The British Gas tariff matches that for most vulnerable customers to the direct debit tariff. Nevertheless, it does not directly address the pre-pay meter issue.

Switching, as I have mentioned, is often of only dubious or marginal value. Perhaps Ofgem, instead of or in addition to its switching campaign, should introduce maximum tariff differentials. That might reflect the cost of pre-pay meters if all factors are genuinely taken into account, but my view is that it would not hurt energy companies simply to equalise tariffs. If Scottish Energy can do it and EDF can come close to it, so can all energy companies.

In many ways, the long-term solution is the roll-out of real-time, remotely calibratable smart meters. There then will be no arguable or possibly justifiable differentiation between tariff costs, but that is some way away. Meanwhile, literally millions of customers will this winter be paying in inflated energy costs a sum getting on for the amount of the winter fuel allowance simply because they are, for whatever reason, on a pre-paid meter. That is not right; it should be put right.

10.39 pm

**The Minister for Energy (Malcolm Wicks):** In the traditional way, I most sincerely congratulate my hon. Friend the Member for Southampton, Test (Dr. Whitehead) on securing this debate on a matter of great concern to many colleagues in the House and to many outside it. I thank him for the very thoughtful way in which he has introduced the subject. He is a great authority on it and has a great track record on energy issues and the social aspects of energy. Indeed, at a meeting today with a non-governmental organisation, I heard about the great work that he is doing with combined heat and power in his constituency in Southampton.

I want to respond to my hon. Friend's contribution as thoroughly as I can in the time allowed. In doing so, I shall say a little about the size and make-up of the

*[Malcolm Wicks]*

pre-payment meter market, an issue that he has touched on. We are talking about a substantial market. There are 3.5 million electricity pre-payment meters and 2.25 million gas pre-payment meters in this country. More than a tenth of customers use these meters to pay for their gas or electricity supply and one in 50 customers uses such meters to repay debt.

As my hon. Friend emphasised, pre-payment tariffs are not low, but installing and maintaining pre-payment meters is itself not a cheap exercise. An average credit meter costs £10 or less, but a pre-payment meter costs between £50 and £80 and requires a complex payment and support infrastructure involving suppliers, meter owners and thousands of retail outlets. There will inevitably be a tendency to charge less to those customers who make fewer demands on a company's systems compared with those who make more. Internet tariffs tend to be cheaper than direct debit; direct debit tends to be cheaper than standard credit; and standard credit, in turn, tends to be cheaper than pre-payment. However, there is more to be said about differentials, and I would like to return to that subject later.

It is helpful—indeed, it adds an important nuance or complexity to the debate—to ask who uses pre-payment meters. They are found in a variety of places, including holiday homes, rooms let to students and so on. However, I think that no one would disagree with the view that low-income households constitute the majority of pre-payment customers. Indeed, some will have these meters because, for one reason or another in the more or less recent past, they have fallen into debt to their supplier.

Less well known is the fact that pre-payment meter customers are by no means synonymous with the fuel poor and by the "fuel poor", I use the standard definition of those who spend or who are required to spend more than 10 per cent. of their income on the energy needed to heat their homes adequately. Although about a quarter of the fuel poor use pre-payment meters and although there is certainly a greater likelihood of fuel poverty if a household uses a pre-payment meter, three quarters of the fuel poor do not use such meters. Indeed, more fuel poor households pay their energy bills by direct debit than by pre-payment meter and only 5 per cent. of elderly people—the pensioners who make up a significant number of the fuel poor—use pre-payment meters.

If we want to help the low-income customers who use pre-payment meters, the conclusion that we can draw is that we can take one of two broad approaches, although some might argue for a blend of the two. The first is to focus on customers in terms of the type of meter that they use and the second is to focus on low-income customers irrespective of their payment method. Many of those who want to help, including, I think, my hon. Friend, are attracted to the first approach, but I am not saying that he is not also attracted to a blend with the second as well. There is nothing wrong in that, but inevitably the focus of those attracted to the first approach makes them impatient for the Government or the regulator to take specific measures of some sort.

What sort of measures are we talking about? The model we hear most about involves forcing gas and electricity suppliers to reduce pre-payment tariffs to levels similar to those paid by direct debit customers. Much of that was the force of my colleague's analysis.

The difficulty is that the cost of any reduction in pre-payment meter prices forced on suppliers by the Government or the regulator might not simply be borne with a smile by companies and their shareholders. Like other costs, it would probably be passed on to the customer, and therefore not only better-off customers, but the poorest customers who are not on pre-payment meters, would pay more. The worry is that the poor would be subsidised by some of the very poor, and so on. That is the nuance, or complexity, that I wanted to introduce into the discussion.

There is a sense in which, as my hon. Friend said, there is statistical support for the fact that differentials have risen far enough to give rise to concern, and to call for an explanation. I refer not just to direct debit and pre-payment meter differentials, but to differentials between direct debit and standard credit. All suppliers have been considering their tariff structures. I may have more up-to-date information than my hon. Friend, because this is fairly quickly moving territory. EDF and Scottish and Southern Energy have equalised their standard credit and pre-payment prices for electricity, while Scottish Power offers pre-payment customers a lower price for both fuels than that paid by standard credit customers. Other suppliers have also acted in this area by introducing social tariffs for vulnerable households that either remove the differential or, in some cases, offer customers prices that are below even direct debit levels. I am in the midst of a series of discussions with the chief executives of our major supply companies on this and related social policy matters. Without prejudging the issue, I should report to the House that I will soon be meeting Sir John Mogg, the Chairman of Ofgem, to discuss the matter with him.

I would like to talk about what we are doing, and what more we will be doing, to get at what I see as the real heart of the problem. That is how—rather than focusing narrowly on the pre-payment tariff—we improve the lot of low-income customers as a whole. We need to redouble our efforts to increase understanding of the market and how customers can use it to cut their energy bills. There are two simple messages. First, there are still big gains to be had from switching supplier, and half of us have not taken that most basic step. I do not think that, even under freedom of information legislation, I will say what half I fall into, although things have been busy recently. There are big gains to be had from switching payment method. Why not use the differential as a trigger to look at paying in other ways? Almost all of the population have bank accounts or can open basic accounts with direct debit facilities. We should encourage people to use them. I fully appreciate that some customers are using a pre-payment meter to pay off debt, but the overwhelming majority are not and that majority could save £200 a year by switching supplier and payment method. That is a message that the Government, Ofgem and bodies such as Energywatch have pushed hard, and continue to push.

There are additional benefits. Just as suppliers like direct debit because accounts are much easier to administer, so customers using direct debit avoid the nuisance of recharging keys or buying tokens. Although pre-payment meters, Fuel Direct and weekly payments all have their place in the market—I am glad they are available—they can also signal self-imposed exclusion from the financial mainstream, which is in turn closely linked to wider social exclusion. If people want to keep their pre-payment meter, of course that is fine. If they want to stay with their incumbent supplier, fine. But let us do all that we can to ensure that these are positive decisions, not simply the product of inertia, because the very best interventions in markets are those that customers make for themselves.

I hope that what I have said underlines the Government's commitment to addressing the problems faced by energy customers on low incomes. I am bound to say that I am very aware of the theme that often the poor pay more, not just for energy, but in many other fields. I am sensitive to that.

I hope that I have explained why our preferred approach is not to treat pre-payment meter customers in quarantine, but to help them, as we help all low-income customers, irrespective of the payment method that they use. We encounter the same challenges in reaching and helping pre-payment customers as we do with other customers, and the same range of measures helps them as helps other customers. That does not mean that we will not keep a close watch on the treatment of pre-payment meter customers; I am keeping a close watch on it, as well as on the progress on recalibrating token meters and replacing them with more efficient key meters. Nor does it mean that we will not keep a close watch on tariffs and how they compare with other payment methods. I do see movement from supply companies on that, and I expect further movement in the months to come.

Those are essential elements of the work of a Government concerned with customer protection and social justice, but that close watch will continue to form part of our larger strategy of helping low-income customers to reduce energy bills, improve their thermal comfort, and maximise their household income.

*Question put and agreed to.*

*Adjourned accordingly at ten minutes to Eleven o'clock.*

# House of Commons

*Tuesday 9 October 2007*

*The House met at half-past Two o'clock*

**PRAYERS**

[MR. SPEAKER *in the Chair*]

# Oral Answers to Questions

## FOREIGN AND COMMONWEALTH OFFICE

*The Secretary of State was asked—*

### Turkey

1. **Derek Wyatt** (Sittingbourne and Sheppey) (Lab): What assessment he has made of the recent presidential elections and other political developments in Turkey. [156123]

**The Secretary of State for Foreign and Commonwealth Affairs (David Miliband):** Turkey's recent parliamentary and presidential elections have delivered a strong popular mandate to the AK party to continue with a programme of reform and economic development in that country. That has sent out a strong signal about Turkey's commitment to democracy both in Turkey and elsewhere in the Muslim world. When I went to Turkey on 5 September I made it clear that the UK remains committed to supporting Turkey's modernisation and its EU accession. I am confident that the new Turkish Government will be positive partners for the UK and the EU.

**Derek Wyatt:** What are we doing on the soft power front? Is the British Council being upgraded, and will we do more school twinning and that sort of thing?

**David Miliband:** I am happy to confirm that the British Council is active in Ankara and across Turkey; when I was there, I participated in a seminar that it organised. I think that the school twinning is now supported by the Department for Children, Schools and Families, which has a special website for international twinning operations. The increasing engagement of Turkish business with business across the EU and indeed globally is a positive sign. I might add in parentheses that Turkey's commitment to helping to support the development of a stable and peaceful Iraq is also an important indication of the way in which Turkey wants to fulfil its international responsibilities.

**Sir Peter Tapsell** (Louth and Horncastle) (Con): Will the Secretary of State bear in mind that one of the many reasons for not invading southern Iraq was that it was likely to precipitate a Turkish invasion of the Kurdish north? As that may be imminent, are we strongly advising Turkey not to do it?

**David Miliband:** I find that a peculiar question, given that we have just been through a referendum—*[Laughter.]* That is the next question. We have just been through an election campaign in Turkey—*[Interruption.]* I do not want hon. Members to use their best lines before a later question. We have just been through an election campaign in Turkey, in which PKK terrorism was a serious threat to southern Turkey, and the governing party's restraint in refusing to undertake the sort of activities to which the hon. Member for Louth and Horncastle (Sir Peter Tapsell) referred was a marked feature of that campaign. Although he talks about the imminence of some sort of Turkish invasion of northern Iraq, it would be better to commend the Turkish Government on their restraint and say that we want to work with them, and that we want the Iraqi Government to work with them and to make sure that we crack down on that dangerous terrorism in northern Iraq.

**David Lepper** (Brighton, Pavilion) (Lab/Co-op): Does the Secretary of State share the concern felt by many people in the Republic of Cyprus about the fact that the new Turkish Government have still not kept to their undertaking that once they had secured the opening of EU accession negotiations, they would lift their embargo on ships from Cyprus entering Turkish ports?

**David Miliband:** Obviously, I discussed relations with Cyprus when I was in Turkey. The fairest thing to say is that there are responsibilities on both sides. My hon. Friend rightly refers to the embargo, but it is important that we emphasise that there are responsibilities on both sides. The 8 July UN process that has now been started needs to be followed through, with responsibilities on both the Turkish and Cypriot sides.

**Patrick Mercer** (Newark) (Con): The Secretary of State will be aware that on the sixth anniversary of the 11 September bombing, a large bomb was intercepted in Ankara. It is likely that it was to be detonated with a device in Germany. Has he any comment to make on the political implications of that for Turkey?

**David Miliband:** When I was in Turkey I talked with the Turkish Government about the terrorism that they face; we all know about the Istanbul bombing, which claimed many lives. The political implications are twofold. First, we need enhanced security co-operation, including with the Turks, and that is taking place. Secondly, we need to send out a very strong message that those who would seek to plant bombs anywhere in Europe will affect people of all religions and none, and that is why it is in all our interests to make sure that we work together against them.

### Iran

2. **Richard Ottaway** (Croydon, South) (Con): What steps he is taking to promote investment in Iran. [156124]

**The Minister for the Middle East (Dr. Kim Howells):** The Government do not promote investment in Iran. UK Trade and Investment's advice to business makes it clear that potential investors should be aware of the

implications of existing and future sanctions before investing in Iran. Any company or individual considering investment in Iran should contact officials in UKTI, who will be able to inform them of the legal constraints and considerable commercial and political risks that they would face.

**Richard Ottaway:** I am sorry to tell the Minister that that is a very misleading answer. The UK Trade and Investment website says:

"Iran has the potential for significant growth...How can we help you?"

Is the Minister aware that Iran is exporting terror, threatening to wipe Israel off the map, manufacturing nuclear weapons and manufacturing bombs to kill our troops? He is using taxpayers' money to support the economy that has paid for that. Does he accept that that is nothing short of a policy of appeasement, and will he stop it?

**Dr. Howells:** No, I do not accept any of that.

**Michael Fabricant** (Lichfield) (Con): Unplug the website.

**Dr. Howells:** Unusually, the hon. Gentleman gives good advice from a sedentary position. There is a sentence that needs to be changed, and I have spoken to the chief executive of UKTI about that. However, many British and European companies in Iran are trading within the law imposed by sanctions. UKTI gives them advice and tries to help them to ensure that they do not encroach beyond the law, which is an important function. I quite agree, however, that the regime in Tehran is obnoxious, and we must do everything that we can to put pressure on it to ensure that it changes those policies.

**Mr. Barry Sheerman** (Huddersfield) (Lab/Co-op): I agree with my hon. Friend that it is not a very nice regime in Iran, but is it not time that we started new initiatives and a new dialogue with Iran? Is it not about time that we distanced ourselves from the United States and showed Iran that we want to talk to it? Is that not the way to persuade it to change its ways?

**Dr. Howells:** We have always maintained diplomatic relations with Iran, unlike the United States. My right hon. Friend the Foreign Secretary has met the Iranian Foreign Minister, and we have had many discussions with the Iranians. The E3 plus 3 has made offers to Iran which, by any definition, are very generous and sensible. We have offered, for example, to help them with a civil nuclear programme, but they have rejected those offers. They have constantly played for time, and they are developing—as far as I believe on the intelligence that we have been given—a nuclear bomb programme. They have enriched uranium with that in view, which is something that we cannot ignore—it is extremely important. In my view, it is one of the most serious difficulties that the world faces at the moment, because if the Iranians develop a nuclear bomb, there will be proliferation across the world, as others will want to develop nuclear bombs.

**Mr. David Lidington** (Aylesbury) (Con): How does the Minister explain recent reports that the British Government are resisting pressure from France and the United States to accelerate further EU sanctions against Iran? Given his very strong criticism of the Iranian regime, will he commit the Government today to press urgently for action to deny Iranian banks access to European financial systems and to impose restrictions on European investment in Iranian gas and oilfields?

**Dr. Howells:** Yes, I can give the hon. Gentleman those assurances and tell him that my right hon. Friend the Foreign Secretary will argue at the appropriate EU meetings next week that we should tighten sanctions across Europe against the Iranian regime. I am very confident that that is exactly what we will do.

## EU Reform Treaty

3. **Andrew Rosindell** (Romford) (Con): What his policy is on holding a referendum on the new European constitutional treaty. [156126]

6. **Mr. Philip Hollobone** (Kettering) (Con): What Government policy is on a national referendum on the new treaty reforming the constitutional arrangements of the European Union; and if he will make a statement. [156129]

**The Secretary of State for Foreign and Commonwealth Affairs (David Miliband):** The mandate for the reform treaty agreed by all 27 Heads of Government makes it clear that the constitutional concept has been abandoned. The reform treaty reforms the EU institutions just as previous amending treaties have done. In line with these precedents, ratification should be a matter for Parliament.

**Andrew Rosindell:** Given that today's European Scrutiny Committee report describes the new treaty as "substantially equivalent" to the EU constitution, does the Foreign Secretary not accept that the British people should have a right to vote on that in a referendum? Does he not remember that that was his pledge at the last election?

**David Miliband:** I am sorry, but I think that the hon. Gentleman must have listened to the "Today" programme rather than read the document from the important Committee. Let me read to him exactly what it says. It says that the reform treaty is "substantially equivalent" to the constitutional treaty

"for those countries which have not requested derogations or opt outs from the full range of agreements in the Treaty".

**Mr. Mark Francois** (Rayleigh) (Con): Read page 16.

**David Miliband:** Whatever the shadow Minister shouts out, that is in the section of the Committee's report labelled, "Conclusion"—which, I think, is rather important in this respect. The framework referred to earlier does not supersede the conclusion of the report, and I suggest he reads it more carefully.

**Mr. Hollobone:** I, too, have been reading the European Scrutiny Committee's report, from which I quote, for the benefit of the Foreign Secretary. It states that

"references to abandoning a 'constitutional concept'"

are

"likely to be misleading in so far as they might suggest the Reform Treaty is of lesser significance than the Constitutional Treaty",

so will the Foreign Secretary ensure that he and his junior Ministers abandon that bogus argument, which has fallen apart under detailed examination?

**David Miliband:** We know the hon. Gentleman's position. He says that leaving the EU would be a positive step. I suggest that he reads the legal draft that came out on Friday, which was put in the Library and given to the Clerks of the Committees of the House. It makes absolutely clear the direction in which Europe is moving, which is to respect the red lines that the United Kingdom has asked for. I commend to him the words of the chairman of his own party's democracy taskforce, the right hon. and learned Member for Rushcliffe (Mr. Clarke), who said that if Parliament cannot decide this sort of thing, Parliament is worthless. Parliament should not be worthless.

**Chris Bryant** (Rhondda) (Lab): The treaty makes it clear that if it goes through, Britain will increase the number of votes that it has in the Council. In other words, it will increase our power to make decisions in Europe. It also makes sure that the French, who for years have been trying to prevent the liberalisation of their energy policy, to the detriment of British consumers, will have to comply with European policy. Would it not make sense for us to ratify the treaty as fast as possible, in the interests of the British?

**David Miliband:** My hon. Friend makes important points. I, for one, look forward to the treaty coming before the House and being debated at great length, so that the myths that have been propagated can be properly debunked.

**Ms Patricia Hewitt** (Leicester, West) (Lab): Does my right hon. Friend agree that the new treaty gives the European Union the opportunity to put behind us procedural arguments about the changes required for enlargement, and instead gives us the opportunity to concentrate on the really urgent challenges that we face, notably climate change?

**David Miliband:** My right hon. Friend makes an important point. If she has read, as I have, the report of the Dutch council of state, which is the only independent legal body to have looked at the treaty, she will know that it considers that

"these changes are aimed, as far as possible, at purging the Constitutional Treaty of those elements which could have formed starting points for a development of the EU in a more explicitly centralised or federal direction".

In other words, it does indeed lay the basis for us to ensure that the EU gets on with its proper business, which is about climate change, jobs, crime and immigration.

**Mr. William Cash** (Stone) (Con): As a member of the Select Committee that produced the report, I condemn the remarks made by the Foreign Secretary. He is coming to see us on 16 October and he will not have quite such an easy ride in front of the Committee as he may try and get away with on the Floor of the House. The document is substantially equivalent to the treaty and requires a referendum. The Foreign Secretary said the other day that we are a parliamentary democracy and that we therefore make such decisions in Parliament. The Referendum Act 1975 was passed by Harold Wilson and a Labour Government. It specifically returned, as it should, the right of the British people, through their representatives, to make a decision by referendum to enable the people of this country on an impartial question to come to a decision about a matter of massive importance to their future—

**Mr. Speaker:** Order.

**David Miliband:** The fairest thing to say for the hon. Member for Stone (Mr. Cash) is that he has been consistent on the issue. When the Maastricht treaty came before the House, dozens of Back Benchers who are still in the House, and Front Benchers, voted against a referendum. He voted in favour of a referendum. I look forward to talking with him and his Committee next week. He cannot deny that the quotes that I have given from his report are accurate.

**Mr. David Drew** (Stroud) (Lab/Co-op): Although some of us on this side of the House will take no lessons about referendums from the Conservative party because of its failure to hold one on the single market and on Maastricht, we still feel that this is a manifesto commitment. If anything, a referendum gives significant authority to the Foreign Secretary when he goes to talk about the red lines in respect of ensuring that at least those red lines are kept and that we seek further improvements. Will he stick to his guns and go for a referendum?

**David Miliband:** I will certainly stick to my guns, but that involves saying that the decision should be taken in this House. My hon. Friend is right to say that we still have a couple of months before the treaty is finally signed in December. We shall work right up until that final agreement to ensure that the red lines are properly respected. The Prime Minister said that yesterday and I am determined to repeat it today. I look forward to taking on the discussion with my hon. Friend, because it will become clear that Europe and the Heads of Government have rejected a centralised or federalist future. We have the opportunity to make the European Union work for people and I think that that is what unites the two of us.

**Mr. William Hague** (Richmond, Yorks) (Con): On the question of the treaty being substantially equivalent to the constitution, should not the Foreign Secretary have read on to paragraph 45 of the Committee report? It states:

"Even with the 'opt-in' provisions on police and judicial cooperation...and the Protocol on the Charter, we are not convinced that the same conclusion does not apply to the position of the UK".

Given that the report says that his central argument on the treaty's constitutional characteristics is not helpful and is even likely to be misleading, should he not now drop this specious line of argument? Is he not simply padding along in the footsteps of the Prime Minister at the weekend and trying to treat the people of this country like fools?

**David Miliband:** The Committee's report was written and printed before the legal text was published on Friday. I am happy to go through the detailed arguments about justice and home affairs, and other issues raised by the Committee with it—I shall do so next week—because I think that if one examined the treaty, one would see that the red lines are being respected.

**Mr. Hague:** No one believes the Foreign Secretary any more when he argues that this is not the EU constitution. When the Prime Minister met the Irish Prime Minister on 17 July, even he referred to it as the European constitution. Do we not now have an extraordinary double of a Government who are too scared to hold a general election that they had planned and too scared to hold a referendum that they had solemnly promised the people of this country? Is it not time that the Foreign Secretary summoned up the courage that his predecessor but one showed to the previous Prime Minister and told the Prime Minister that he needed a democratic mandate for such a far-reaching treaty, rather than colluded in this cynical betrayal of the promises made to the country?

**David Miliband:** I am very pleased that the right hon. Gentleman has mentioned predecessors, because he has recently recruited Lady Thatcher back to his campaign team. I suggest that he listens to what she said:

"Perhaps the late Lord Attlee was right when he said that the referendum was a device of dictators and demagogues."

The right hon. Gentleman will never be a dictator; how does it feel to be a demagogue?

**Ian Lucas** (Wrexham) (Lab): In my reply to the three constituents who have written to me about this matter, I made it clear that it is the historic role of this Parliament to scrutinise and consider in detail treaties with other nations. Does my right hon. Friend agree that it would be a profound abrogation of responsibility on the part of this House to set that detailed scrutiny aside in favour of a ludicrous tick-box referendum?

**David Miliband:** My hon. Friend makes an important point. I do not wish to damn his or my political career by saying that we agree with the chairman of the Conservative democracy taskforce but it is the role of this Parliament to undertake that work. I point out to Conservative Members that every previous amending treaty, Labour or Tory, has been presented to and passed by Parliament. That is our job and we should get on with it.

**Mr. Michael Moore** (Berwickshire, Roxburgh and Selkirk) (LD): At the centre of this debate is the status of the charter of fundamental rights. The timely and useful report from the European Scrutiny Committee raises a number of issues about it. In particular, it highlights the potential imbalance between the general obligation on the Court of Justice to ensure the uniform application of union law and the protocol secured by the Government, which seeks to ensure that the charter does not extend the ability of the court to find that UK law is inconsistent with the charter. On reflection, does the Foreign Secretary believe that the current text is robust enough? Will he ensure that we get a stronger set of words before the final treaty is developed?

**David Miliband:** The hon. Gentleman approached this issue in a serious way and he deserves a serious answer to his question. [Hon. Members: "A boring approach."] Conservative Members describe a serious approach as being boring; that says a lot about the modern Tory party.

The hon. Gentleman raises an important point about article 1 of the protocol, and it is significant to consider it because the protocol is legally binding. It says:

"The Charter does not extend the ability of the Court of Justice, or any court or tribunal...to find that the laws, regulations or administrative provisions, practices or action...are inconsistent with the fundamental rights, freedoms and principles that it reaffirms."

In other words, it is for these islands, and for this Parliament, to set their own laws in respect of the issues covered by the charter. We shall certainly see that through in our negotiations.

**Mr. Doug Henderson** (Newcastle upon Tyne, North) (Lab): Recognising that any change to a European treaty is, in effect, a constitutional change, does my right hon. Friend agree that deciding how to deal with such a change is a matter of balance and, perhaps more importantly, workability? I urge him to stand firm and act against some of the hypocrisy we have heard this afternoon from colleagues who argued that there was no need for a referendum on the Maastricht treaty, which retained far more power for the European Union than the current treaty. I urge my right hon. Friend to stand firm.

**David Miliband:** My hon. Friend will be amused to know that a number of the Opposition Members chuntering away during his question were actually there in 1992, voting against a referendum. One of the things we shall be able to do as the debate proceeds is to ask them how they could be against a referendum in 1992 and in favour of one in 2007. I am sure that my hon. Friend, as a former Minister for Europe, will ensure that his historical experience is brought to bear on this debate.

## Zimbabwe

4. **James Duddridge** (Rochford and Southend, East) (Con): If he will make a statement on the political situation in Zimbabwe. [156127]

**The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn):** The situation in Zimbabwe gives grave cause for concern. That is why the Prime Minister has stated he will not attend the EU-Africa Summit if President Mugabe is present. It is also why we are working for change by maintaining international pressure on the regime; supporting those working in Zimbabwe working for democratic change; and giving up to £40 million in humanitarian aid every year.

**James Duddridge:** In 2003, the Select Committee on Foreign Affairs suggested revoking Robert Mugabe's knighthood. In July this year, Lord Malloch-Brown said in a letter to me that his Department will continue

to keep the issue under close review. When will the Foreign Office stop dithering and take some action on this issue?

**Meg Munn:** I understand the cause of those who wish to see the knighthood removed, and as my noble Friend said, we are currently reviewing the matter. However, let us clear about this: the situation in Zimbabwe demands a great deal more than that, and removing President Mugabe's knighthood might detract from that focus and give him more publicity. We need to concentrate on the real problems faced by the people of Zimbabwe.

**Kate Hoey** (Vauxhall) (Lab): Following on from the Prime Minister's welcome statement that neither he nor any of his senior Ministers will attend any summit between the European Union and the African Union, and the agreement of the Foreign Office last week not to allow Peter Chingoka, the chairman of the Zimbabwe Cricket Union, into this country, would the Foreign Office consider taking up the suggestion of Lord Morris, the former Transport and General Workers Union general secretary, that we consider co-ordinating with Australia a wider sporting boycott on Zimbabwe?

**Meg Munn:** We are happy to hold discussions about that. There are currently no formal agreements about sporting sanctions but we have made our position clear and are happy to discuss those matters.

**Mr. Andrew Mackay** (Bracknell) (Con): It must be right for the Prime Minister to follow our advice and say that he will not attend the EU-Africa summit if Mugabe is there. Will the Under-Secretary confirm that if any of Mugabe's senior henchmen are there, the Prime Minister will not attend? Otherwise, we will send a bad message to Zimbabwe.

**Meg Munn:** We have always said that Zimbabwe should be represented because it is important that the issues that affect it and the whole of Africa are discussed. We will have to consider specific personnel at the time.

**Mr. Eric Illsley** (Barnsley, Central) (Lab): My hon. Friend knows that the German Chancellor has repeated the Portuguese Government's mistake of suggesting that Robert Mugabe should attend the EU-Africa summit later this year. Will she make representations to not only our German colleagues but other EU countries to try to ensure that the embargo on Robert Mugabe is maintained?

**Meg Munn:** I assure my hon. Friend that we are in discussion with our EU partners on the matter. Chancellor Merkel was clear that all African countries should be invited to the summit, and we agree. However, we have always said that Zimbabwe should be represented, but not by President Mugabe.

**Mr. Keith Simpson** (Mid-Norfolk) (Con): We welcome the Prime Minister's statement and I am glad that we have moved on from our debate in July, when the Under-Secretary was unable to give us the guarantee that the Prime Minister would not go to the EU-Africa conference. Following the comments of the hon. Member for Barnsley, Central (Mr. Illsley) about Chancellor Merkel, do the Government believe that we need to generate additional EU sanctions against Zimbabwe? In particular, does she believe that the EU could go much further and home in on some of the more obnoxious members of the Zimbabwean regime, such as Reserve Bank governor Gideon Gono, who is a leading friend of President Mugabe and helps finance the regime? Does she agree that it is disgraceful that he can still travel abroad and that we cannot impose sanctions on him?

**Meg Munn:** It is important to examine sanctions carefully. European Union targeted measures are there precisely to ensure that they do not further hurt ordinary Zimbabweans. On the specific issues that the hon. Gentleman raises, we have already argued for Gideon Gono to be added to the EU list. We will continue to do that, and the Home Secretary has excluded him from the United Kingdom.

**Mr. Lindsay Hoyle** (Chorley) (Lab): Discussions are fine but action is needed. The sooner action is taken, the better. The whole country has been razed to the ground. I have met groups from Bulawayo and they cannot accept that everyone seems simply to be talking. They need action now. I urge the Government not to wait any longer, please.

**Meg Munn:** I agree with my hon. Friend, but the situation ultimately needs an African solution. Since July, when we had our debate here, the UK has committed a further £8 million to the World Food Programme and we have ensured that Zimbabwe is discussed at the United Nations Security Council. We in the EU have put pressure on Zimbabwe at the UN Human Rights Council. We are clear that action needs to be taken, but the UK cannot do that alone; we need to work with other people. African countries in particular need to act on the matter.

## Middle East Peace Process

5. **Sir Patrick Cormack** (South Staffordshire) (Con): If he will make a statement on the progress made in the middle east peace process. [156128]

**The Minister for the Middle East (Dr. Kim Howells):** The Government believe that the UK must be involved in seeking genuine progress on the middle east peace process. With the combination of the continuing dialogue between Prime Minister Olmert and President Abbas, Tony Blair's engagement, an international meeting scheduled for November and a rejuvenated Arab peace initiative, the prospect of progress appears more promising than it did at the start of the summer. We will continue to work with international partners to move us closer to a two-state solution.

**Sir Patrick Cormack:** I thank the Minister for that answer and his robust attitude to the matter. What plans do the Government have for convening a formal meeting of the Quartet and arranging for former Prime Minister Blair to brief Members of the House of Commons on his actions?

**Dr. Howells:** I certainly think it is a very good idea for former Prime Minister Blair to come to the Commons to brief an all-party meeting on the issue. I shall certainly put that to him and I hope that he will do so. As for a Quartet meeting, there are of course regular such meetings. There will be one in the run-up to the November conference that is being organised in the United States. It ought to be an important conference and we are pinning a lot of hope on it.

**Richard Burden** (Birmingham, Northfield) (Lab): May I tell my hon. Friend that last month I discussed with businessmen in the north of Gaza their plans just to export like businessmen in any other part of the world, but that their ability to do so is being strangled by the Israelis' continuing blockade of the Karni crossing? The blockade does not affect the firing of rockets from Gaza, but does collectively punish the innocent people of Gaza. What are the Government doing to ensure that the excuses are put on one side and that the Karni crossing is opened as it should be?

**Dr. Howells:** I assure my hon. Friend that, along with my right hon. Friends, I have been pressing the Israeli Government to open the Karni crossing. He is quite right and has great experience of the issue. It is interesting to hear that he has held discussions about the issue in northern Gaza, because it is one of the most crucial issues. I cannot for the life of me understand how Israel believes it can have an economic basket case on its border, because there is no more potent way of generating violence and opposition to the idea of a two-state solution than strangling the economy of one's neighbour.

**Mr. Hugo Swire** (East Devon) (Con): The Minister is entirely right in what he has just said. However, is he also aware that the United Nations Relief and Works Agency is unable to get necessary supplies into Gaza because of what is effectively a blockade and that it is thus unable to help to build temporary accommodation for the many refugees who are in Gaza? The situation in Gaza is getting more difficult as a result and encouraging the sort of behaviour that none of us wants to see.

**Dr. Howells:** Yes, we have been very worried that that reading of the situation in Gaza is going to make things worse. We recently gave £1 million extra to the International Committee of the Red Cross to meet some of the extreme humanitarian problems inside Gaza. We are glad to see that UNRWA is now lobbying widely, in Europe and the rest of the world, to make people aware of just how acute the difficulties are inside Gaza. That is something on which we shall continue to lobby, as it is a very important issue.

**Mrs. Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): How does my hon. Friend assess the impact of Iran's actions on current attempts to reach peace in the middle east, particularly following the statement by Iran's judiciary chief on 5 October, when he described the rallies in Tehran as a good start to the destruction of Israel?

**Dr. Howells:** Iran is playing a mischievous role. The Iranians' support for the extreme elements of Hamas and for Hezbollah in Lebanon is an indication that they do not want a two-state solution. They want to destroy Israel, and as far as they are concerned the quicker the better.

**Mr. Alistair Carmichael** (Orkney and Shetland) (LD): May I associate myself with the comments of the hon. Member for Birmingham, Northfield (Richard Burden)? I was with him in northern Gaza last month, when we met the businessmen whom he described. Will the Minister stress to the Israeli Government that closure of the borders is now creating a burgeoning humanitarian crisis that will not wait until November to be resolved? It is hurting the ordinary people in the Gaza strip, not the Hamas Administration. We should not confuse one with the other.

**Dr. Howells:** Yes, I take that point clearly. I am glad that the hon. Gentleman managed to get into northern Gaza and hold those discussions. We do not want to hurt the ordinary people of Gaza. Nobody wants to do that; indeed, I do not believe that opinion inside Israel is in favour of that. The Israelis have had long experience of suffering as a consequence of the terrorism that has been generated inside Gaza and other areas where such difficulties have occurred.

At the same time, there must be pressure on Palestinian and Israeli neighbours to do their utmost to ensure that the supply of rockets and weapons to Hamas militants and jihadists inside Gaza is also curtailed and that those people are not firing rockets into Israel, because that does not help the argument either. However, the hon. Gentleman is quite right. The issue is immensely important and I agree with him entirely.

**Fiona Mactaggart** (Slough) (Lab): To follow up on the points that colleagues have made about the importance of the economy of Palestine, does my hon. Friend recognise that the Balls and Cunliffe report made it clear that there is high and growing unemployment among the Palestinian people and that that is increasingly speedily making the situation worse? What can the British Government do to help to tackle that crisis?

**Dr. Howells:** The British Government, led by my right hon. Friend the Prime Minister when he was Chancellor of the Exchequer, have worked very hard to try to raise international consciousness of the need to provide employment and housing for so many people in Gaza. There is a new generation of young people there now who will not have jobs, and of even younger people who will not have an education. It is extremely important that we pay attention to that, and I think that we have a good record of trying to do so. However, we can introduce any plan for economic reconstruction that we like, but if we cannot get the politics fixed, we will never build a house or a road in Gaza, or do any of the things for the infrastructure that we want to do. We have to get the politics right, and that is why these international agreements and the other work that we are doing on the middle east peace process are so important. That is absolutely crucial if we are to take forward my hon. Friend's agenda for economic reconstruction.

### EU Intergovernmental Conference

7. **Mr. David Gauke** (South-West Hertfordshire) (Con): If he will make a statement on progress in the EU intergovernmental conference. [156130]

**The Minister for Europe (Mr. Jim Murphy):** The legal group producing the draft treaty finished its work on 3 October. The United Kingdom has set out our red lines and we are determined that they will be delivered. We will continue to press, right up until the December European Council, to ensure that they are met.

**Mr. Gauke:** The Government's case relies almost entirely on the effectiveness of the red lines, but today's report from the European Scrutiny Committee makes it clear that there may well be an argument that the charter of fundamental rights will apply to the UK. In those circumstances, and if there were a dispute—the report makes it clear that there might well be—can the Minister confirm that it would be the European Court of Justice, not Parliament, that would decide whether the charter applied in the UK?

**Mr. Murphy:** The Foreign Secretary has already made it clear today that the constitutional approach has been abandoned. On the hon. Gentleman's specific point about the legally binding protocol and the charter of fundamental rights, it is absolutely clear that the protocol has the same legal force as European treaties. That is a very strong legal protection indeed.

**Andrew Mackinlay** (Thurrock) (Lab): Why has the Minister not responded to my point of order yesterday—it appears at column 57 and was supported by the Deputy Speaker—in which I complained that the documents—

**Mr. Speaker:** Order. The hon. Gentleman must not draw the Chair into any arguments that he has.

**Andrew Mackinlay:** Sorry about that, but my point of order related to the fact that the documents to which I referred were not in the Vote Office yesterday, and they were not there before Prayers today. They should be available so that we can quiz the Foreign Secretary tomorrow afternoon, not only in the Chamber but in the Foreign Affairs Select Committee. Will the Minister ensure that the legislation on this is not so narrowly drawn and crafted that we cannot table an amendment that is acceptable to the Table Office relating to the ability to have a referendum? We want an assurance that the legislation will be drafted so as to leave that scope open to Parliament. What say you?

**Mr. Murphy:** On the specific point about publications and paperwork being available, it is certainly my understanding, and that of the Foreign Secretary, that that material was placed in the Libraries of the House of Commons and the House of Lords on Friday last week, when it became available. I hope that my hon. Friend will accept that, throughout this process in recent months, we have shared with his Committee and others all the material as it became available. On his wider point about the breadth of the Bill, the House has a long tradition of enabling European Bills to be amended in relation to calls for a referendum. After all, one third of those currently on the Conservative Front Bench voted against such a referendum on Maastricht. As I have said before, and am happy to say again, it would certainly be our intention—with your permission, of course, Mr. Speaker; it is entirely a matter for your discretion—to craft the Bill widely enough so that an amendment calling for a referendum on the reform treaty could take place.

**Mr. Douglas Hogg** (Sleaford and North Hykeham) (Con): The Minister has clearly looked at the scrutiny report and will have read its paragraph 71, where the Committee characterises the drafting process as

"essentially secret...conducted by the Presidency, with texts produced at the last moment".

It goes on to say:

"The compressed timetable now proposed, having regard to the sitting terms of national parliaments, could not have been better designed to marginalise their role."

Do the Government agree with that view?

**Mr. Murphy:** Not at all. At every opportunity, the Foreign Secretary and I have sought to be available to the Select Committees of this House. I believe that I have given evidence on five separate occasions to such Committees, and my right hon. Friend the Foreign Secretary has also spoken in glowing terms of his anticipation of appearing before Select Committees. The fact is that the reform treaty gives greater powers to national Parliaments, and it remains the case that it is this House and the other place that will ultimately take a view on whether or not to ratify that reform treaty.

**Ms Gisela Stuart** (Birmingham, Edgbaston) (Lab): The Foreign Secretary seemed to suggest in an earlier answer that the draft of the document now available since 3 October is so different that it invalidates the findings and some of the conclusions of the European Scrutiny Committee. He suggested that the conclusions were drawn before the Committee had sight of the 3 October document, which implies that there have been significant changes. Will the Minister for Europe indicate just two or three changes in the document of 3 October that were not present in the earlier version?

**Mr. Murphy:** My right hon. Friend the Foreign Secretary was recording a statement of fact. The Select Committee report was drafted and went to publication before the legal text was available. That was my right hon. Friend's point. The differences between the old constitutional treaty and the reform treaty are very clear. Every member state has moved away from the old constitutional approach and it is quite clear that it is the end for those who had a federalist dream or a federalist vision for Europe. It is equally clear that of all the member states of the European Union, the United Kingdom has moved furthest away from the old constitution.

**Mr. Mark Francois** (Rayleigh) (Con): What is clear is that it has hardly changed at all. Yesterday's press release on the Downing street website said that if the red lines were not met

"there will either be a veto or there will be a referendum".

Given that the European Scrutiny Committee has now cast very serious doubt about the Government's red lines, and its Chairman told the BBC this morning that they would "leak like a sieve", will Ministers now admit that they are morally bound to offer the British people the referendum that they themselves promised them in the first place?

**Mr. Murphy:** Not at all. It is absolutely clear that the legally binding protocol and the charter of fundamental rights offer very strong protection indeed. That is acknowledged by other member states and other prominent politicians. As the president of the European Parliament,

Hans-Gert Pöttering—*[Interruption.]* The shadow Minister for Europe, the hon. Member for Rayleigh (Mr. Francois), scoffs at him, but the president of the European Parliament is a gentleman and a Conservative. In other places, those things are not mutually exclusive. The president said:

"Since making the Charter legally binding and extending Community competence to JHA were two of the most important features of the original constitution, the deal struck by Tony Blair in June means that—for better or worse—much of its substance will simply not apply in Britain."

## Iran

8. **Mr. Bernard Jenkin** (North Essex) (Con): If he will make a statement on the Iranian nuclear programme. [156131]

**The Secretary of State for Foreign and Commonwealth Affairs (David Miliband):** Iran has every right to be a secure, rich country. However, it does not have the right to set off a nuclear arms race in the middle east. That is why we deplore its continued enrichment of uranium in defiance of three UN Security Council resolutions. We will continue to work with our E3 plus 3 partners—France, Germany, Russia, the US and China—and with our EU colleagues to persuade Iran to suspend all reprocessing and enrichment-related activities and return to negotiations on the basis of the far-reaching proposals that we presented in June 2006.

**Mr. Jenkin:** Will the Foreign Secretary tell the House, in a word, whether there is any substantial difference between the policy of the United Kingdom Government and that of the United States Administration?

**David Miliband:** We are joint members of the E3 plus 3 process. Six countries are leading the diplomatic effort. We are working together with the United States, Russia, France, Germany and China, as I said in my answer to the hon. Gentleman's main question.

**Gordon Banks** (Ochil and South Perthshire) (Lab): What discussions is my right hon. Friend having with Iran's neighbours to prevent any expansion of nuclear proliferation in the region should the worst happen?

**David Miliband:** Obviously I have spoken to the Iranian Foreign Minister himself. I talked to him about the risks that he was taking, not just for his own country but for the region and the wider world. In discussions with Egyptian, Saudi and other Foreign Ministers and ambassadors, I have emphasised our concern for the non-proliferation treaty to be respected, and for Iran not to play the proliferating role that is so dangerous in the current circumstances.

**Sir Malcolm Rifkind** (Kensington and Chelsea) (Con): Does the Foreign Secretary agree that if military action against Iran is to be discouraged, it is crucial for there to be a robust and effective alternative that cannot be scuppered by Russian or Chinese vetoes? As President Sarkozy of France—along with the United States—is enthusiastically calling for financial and banking sanctions against Iran, and as Deutsche Bank, UBS, HBSC and other banks are already responding, will the Foreign Secretary do all in his power to encourage other European Union countries, particularly Germany, Italy and Spain, to support such a policy?

**David Miliband:** The right hon. and learned Gentleman's general point about the importance of the diplomatic route having proper teeth is absolutely correct. He could have added Standard Chartered to the list of banks that he mentioned.

The right hon. and learned Gentleman will be interested to know that in the year to May 2007, EU trade with Iran fell by 34 per cent., which constitutes a significant tightening of the sanctions. We are exploring all avenues. I will of course discuss the matter with EU colleagues next week, and will continue to monitor it at an international level.

**Mr. Ken Purchase** (Wolverhampton, North-East) (Lab/Co-op): Iran is almost certainly in breach of its undertaking on the non-proliferation treaty, given that it is a signatory. It is our duty to ensure that the treaty is enforced: it has maintained a very good record over many years. However, the policy lacks some coherence when we are prepared to tolerate the develo...ient of nuclear weapons in Pakistan and India—and, indeed, welcome it, as the Americans did recently. We really must have a coherent and comprehensive policy if we expect to make real progress on the Iranian problem.

**David Miliband:** I understand my hon. Friend's point, but I think he will agree that the present situation in regard to India and Pakistan is far preferable to that which existed in 2002, when people were extremely worried about relations between the two countries. I think that the efforts by the Governments of both countries to lower the temperature in the region should be recognised, notwithstanding my hon. Friend's point about nuclear weapons.

**Mr. Roger Gale** (North Thanet) (Con): Does the Foreign Secretary believe that prospects for the development of nuclear weapons by Iran would be strengthened or weakened if the British Government lifted its illegal prohibition and proscription of the People's Mujaheddin Organisation of Iran and the National Council of Resistance of Iran?

**David Miliband:** I think I am right in saying that the issue is currently before the courts, and in that context it would be very unwise of me to venture any opinion.

**Mr. John Maples** (Stratford-on-Avon) (Con): Have there been any discussions at any level between the British Government and the United States Administration about the possibility of taking military action against Iran?

**David Miliband:** As I have said—and as representatives of the United States Administration right up to the top have said on every occasion—we are 100 per cent. focused on the diplomatic process, and on making the diplomatic route work. That is what we will continue to argue and urge in all forums.

## Iraq

9. **Jim Sheridan** (Paisley and Renfrewshire, North) (Lab): What assessment the UK has made of EU and UN involvement in Iraq. [156132]

**The Minister for the Middle East (Dr. Kim Howells):** The United Nations Secretary-General is clear that the UN has a significant role. We welcome the appointment of a new special representative: he has our full support in implementing the UN's role under Security Council resolution 1770.

The EU is committed to developing its engagement and supporting the UN. We welcome the recent high-profile visits by the Swedish and French Foreign Ministers, and the discussion stimulated within the EU.

**Jim Sheridan:** I welcome the Minister's response. Will he join me in welcoming the recent statements by the French Government and the EU High Representative, Javier Solana, on the need to help and to co-ordinate the reconstruction work of the Iraqi Government and indeed their allies in projects such as Operation Sinbad, which has recently ended in Basra? Will he expand on the success of that project?

**Dr. Howells:** That is an important question. The effect of Operation Sinbad on employment levels, for example, in Basra has been significant. There is a long way to go, though. Basra is still suffering greatly. There is an enormous amount of work to do on infrastructure. It will be helped if EU nations and wealthy nations of the west realise that that reconstruction helps everyone, not just the people of Basra and Iraq. It will help to prove that a democracy can function well in the middle east, ensuring that people are employed, children are educated and the health system works. It will become a model for the rest of the region.

**Jeremy Corbyn** (Islington, North) (Lab): The Minister will be well aware that there are possibly as many as 2 million internally displaced Iraqis and that possibly as many as 2 million people have fled to a place of safety in neighbouring countries. What support is being offered to Jordan and Syria to cope with that very large influx of desperate people? What is being done to support the people who have been displaced within Iraq, who are living in desperate poverty, without any support or services whatever?

**Dr. Howells:** My hon. Friend has asked an important question. This Government have given a great deal of financial support to try to help to improve the humanitarian situation. We know that the Governments of Syria and Jordan especially require a lot more help. We have been lobbying to ensure that our partners in Europe give some money for humanitarian support as well and, even more importantly, that the very wealthy neighbours of Iraq, Jordan and Syria, especially the oil Governments of the Gulf, realise that they have a role to play too and that they could alleviate that suffering significantly.

## EU Treaty (Climate Change)

**Mr. Quentin Davies** (Grantham and Stamford) (Lab) *rose—*

**Hon. Members:** Hear, hear.

**Mr. Speaker:** Order. First, the hon. Gentleman must say "Question No. 10".

10. **Mr. Davies:** What assessment he has made of the likely impact on the ability of the UK and its European partners to combat climate change of proposed changes to qualified majority voting in the new EU treaty. [156133]

**The Minister for Europe (Mr. Jim Murphy):** In response to the question tabled by my hon. Friend, I make it clear that the EU can be effective in tackling climate change. That process began with the targets agreed at the spring European Council this year. The move to QMV under the reform treaty will help by removing the veto of any one country on the liberalisation of energy markets and steps to improve energy diversity.

**Mr. Davies:** I am sorry; I was put off earlier by the unusual applause, to which I am not accustomed.

Is it not clear that, if we in the EU are going to make our contribution to meeting the challenge of global warming and to achieve our high, demanding and necessary targets for reductions in carbon emissions, we need to get the necessary implementing legislation through in a timely fashion and unambiguously and that, for that purpose, we need to have QMV in a Union of 27 members? Therefore, is there not evidently more than the usual degree of confusion in the minds of those on the Opposition Benches who claim— *[Interruption.]*

**Mr. Speaker:** Order. I think that the Minister might be able to give the hon. Gentleman a reply.

**Mr. Murphy:** My hon. Friend is giving yet another reminder of why he left the Opposition Benches and joined us. Opposition Members scowl and dismiss. Euroscepticism is now a mainstream ideology for the Conservative party. The reform treaty provides, for the first time, an opportunity to unblock decision making. It will give the United Kingdom and the European Union the capacity to deliver change and effective improvements on one of the biggest issues facing the EU. That is one of the important parts of the reform treaty. It is one of the reasons why Labour Members support it so wholeheartedly.

## Pakistan (Detentions)

11. **Paul Rowen** (Rochdale) (LD): How many cases there have been of British citizens under the age of 18 being detained by Pakistan authorities while custody issues are considered by the Pakistan High Court in the last five years; and what support the high commission has provided in such cases. [156134]

**The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn):** We are not aware of any British citizens under 18 who have been detained by the Pakistani authorities in the last five years while custody issues are considered. We have,

however, provided consular assistance to many British parents involved in custody disputes and child abduction cases in Pakistan. When providing such assistance, we take care that our actions do not contravene Pakistan law and any determination by the Pakistan courts.

**Paul Rowen:** I thank the Minister for that answer. I am sure that she is aware of the case of my constituent, Asma Akhtar, who is currently involved in a child custody case in the Pakistan High Court. Such cases are covered by a protocol. In view of the difficulties Asma is experiencing, will the Minister undertake to review the operation of that protocol?

**Meg Munn:** The UK-Pakistan protocol is in place to enable us to come to decisions on children's welfare in such custody disputes regardless of whether the child is in Pakistan or the UK, and it is operating. We need to keep it under review, and next year we will have an international child abduction conference in Islamabad to promote greater awareness of that protocol on children's matters and how it can assist in reducing the number of child abduction cases."

# Pre-Budget Report and Comprehensive Spending Review

3.31 pm

**The Chancellor of the Exchequer (Mr. Alistair Darling):** Today I can present the pre-Budget report and the conclusions of the comprehensive spending review. The background to this year's report and spending review is a time of increased international economic uncertainty and a more fragile global environment which has already seen turbulence in America, Asia and Europe. The theme of this year's pre-Budget report is that, provided we maintain the course for economic stability that we have set, we can respond to that global environment. We will do so by taking no risks with stability and no risks with unaffordable promises that put the public finances at risk. We can respond as well to the rising aspirations of the British people, and we can do that by taking the right long-term decisions for our country. Today I will set out how we will maintain that stability and strong economy, meet our international obligations, improve our public services and invest more in the highest standard of education and health care, and equip our country for the future as we meet these new global challenges.

Let me start with the economic figures. In March, inflation had risen to over 3 per cent. but decisive action has brought it down to below our target of 2 per cent., and I am able to forecast that inflation will again be on target next year and the year after. We are determined to hold firm to our economic framework, which has proved resilient over the past 10 years and which we can be confident will do so now and in the future. While this year growth in America is expected to be 2 per cent., in Japan 2.3 per cent. and in the euro area 2.6 per cent., growth in Britain—with exports and investment rising and employment at record levels—is expected to be 3 per cent. this year: Britain, the fastest growing major advanced economy in the world.

That underlying strength of the economy will stand us in good stead as we face the current international instability that started in the American mortgage market and has now spread across the world. The full impact of turbulence in the international financial markets is as yet unclear. The House will rightly want to discuss in some detail the current international instability and its effect on Northern Rock, and I intend to make a full statement to the House later this week. The International Monetary Fund has said that this international uncertainty will have an effect on growth right across the world, and independent forecasters expect growth next year in America, the euro area and Japan to fall to 2 and 2½ per cent. In those circumstances, it is right that we, too, are cautious. So my forecast for growth next year is also 2 to 2½ per cent. *[Interruption.]* But because of the strength of our economy, our commitment to openness and liberalised trade across the world—*[Interruption.]*

**Mr. Speaker:** Order. The Chancellor of the Exchequer is making a statement; I want him to be heard.

**Mr. Darling:** It is because of the strength of our economy and our commitment to openness and liberalised trade across the world, and our flexibility and dynamism here at home, that my forecast for growth in 2009 and 2010 is 2½ to 3 per cent., in line with the economy's trend rate of growth and in line with the Budget forecast.

We can afford sustained investment in our priorities only because of our two fiscal rules that ensure sound public finances. I can report that last year, borrowing was 2.3 per cent. of national income—£4 billion less than forecast. I can also report that debt was 36.7 per cent., also less than forecast. Over the past 10 years of this economic cycle, borrowing and debt in Britain have been lower than in Japan, the euro area, America and the Organisation for Economic Co-operation and Development area as a whole.

I can tell the House that we are meeting our first fiscal rule with the current budget and surplus over the cycle. In the previous economic cycle, from 1986 to 1997, that rule was missed, with a deficit of £240 billion. But over this cycle, with a current budget deficit last year lower than forecast, we have a surplus of £18 billion and we are therefore meeting our first fiscal rule. Even taking into account the impact of what is happening in the financial markets, we have a current balance going forward of minus £8 billion this year, then minus £4 billion, then surpluses of £3 billion, £9 billion, £14 billion and £20 billion by 2012-13. So we will meet our rule in the next cycle.

We will also meet our second rule that net debt should be at a sustainable level. In America, debt is 44 per cent. It is 49 per cent. across the euro area, 86 per cent. in Japan and 94 per cent. in Italy. The figures in Britain are 37.6 per cent. this year and then 38.4 per cent., 38.8 per cent., 38.9 per cent., 38.8 per cent., and 38.6 per cent. in 2012, so meeting our second fiscal rule. Debt interest was 3½ per cent. of national income in 1997. Next year, it is expected to be just 2 per cent. That low debt allows more investment in front-line services. Net borrowing is forecast to fall from 2.7 per cent. this year to 1.3 per cent. in 2012, compared with a peak in 1993 of almost 8 per cent.—the equivalent of £110 billion today. The measures that I am taking in this pre-Budget report allow fiscal policy to support the economy while ensuring that the fiscal rules are met. As a result, net borrowing is forecast to fall from £38 billion this year to £23 billion in 2012.

In this cycle and the next we are meeting both our fiscal rules: borrowing not for current consumption, but for investment in Britain's priorities. As the Prime Minister made clear in the Budget earlier this year, this spending review is tighter for many Departments—all the more reason to identify increased efficiencies and savings. The spending review has identified substantial savings that can be made by Departments. Building on the £20 billion already achieved, Departments will save a further £30 billion by 2010. That is money available for reinvestment in public services. In addition to that, asset sales in four years' time will have reached £36 billion, reducing debt and releasing further resources. Departmental plans will be published, setting out in detail how these savings will be achieved.

We are also seeing the rewards that can come from a successful economy and record levels of employment. Just under a decade and a half ago, as much as three quarters of all new public spending was spent on debt and social security costs. The figure for this spending review will be a third of that. Today I can announce that, because unemployment continues to fall, we will

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spend £400 million less than forecast in each year of the spending review on the costs of economic failure.

Those three elements—a strong economy, sound public finances and efficiencies—make possible the investment that I can announce today. Departmental spending will rise from £345 billion this year to £397 billion in 2010. Departmental spending is published today; investment will be matched by reform and clear objectives, set out in new public service agreements, which we are also publishing today.

Let me now turn to our proposals. The foremost duty of any Government is protecting our country. The whole House will want to join me in acknowledging the dedication and courage of our armed forces in action overseas, including in Iraq and Afghanistan. To support our armed forces and all that they do, I am today allocating an additional £400 million for operations this year. That is on top of the increase in the defence budget to £37 billion by 2010 that will provide over £500 million-worth of investment for improvements in accommodation for members of the armed forces and their families. In the mid-1990s, defence spending was cut by 20 per cent. This settlement is the longest period of rising investment in the defence of our country for almost 30 years.

Matching our commitment to international security with international diplomacy, we will increase the Foreign Office budget, including spending £460 million in 2010 on the British Council, the BBC World Service and the launch of the BBC Farsi and Arabic TV channels.

The terrorist attacks in July 2005 and the attacks since remind us all of the constant threat to our security here in Britain, and of the critical importance of our police and security services. Since 2001, spending on security and intelligence has more than doubled to £2½ billion a year. I can now announce a new single budget that brings together the work of the police, the security services and all parts of the Government responsible for addressing the threat from terrorism. The budget for the intelligence agencies will continue its historic real-terms growth since 2001, with real growth over this period of 9.6 per cent. a year. I can announce that the single budget will rise every year over the next three years—a rise of £1 billion in total, to £3½ billion a year in three years' time. That is a trebling in cash terms in a single decade. It also includes £700 million over the next three years for the Home Office for its work in combating the terrorist threat. Overall, I am allocating additional resources to the Home Office and Ministry of Justice that will now rise to £20 billion by 2010, as we guarantee neighbourhood policing in every community, build 9,500 extra prison places and finance over £400 million in technology to strengthen our border security.

Our ability to compete and succeed in the global age will depend on our competitiveness and continuing investment in our economy. Britain's future success will depend on investment not just in physical capital but in skills, innovation and intellectual property. I am publishing today a new analysis which shows that Britain could now be investing as much in those areas as the United States of America. That means that almost £250 billion a year—up to a quarter of today's income—is being invested in the priorities essential for securing tomorrow's prosperity.

Lord Sainsbury's science review reported last week, and I can confirm that investment in science and university research will rise to over £6 billion a year in three years' time. That will help to ensure that British research and industry are brought closer together to develop the new products and services that the world wants to buy.

Britain has more Nobel prize winners than any country outside the US. Yesterday, another prize was awarded for medical research, and that is testament to Britain's continued scientific success, which is recognised across the world. So that more British medical discovery can be translated into new health drugs, treatments and preventions, I can today announce that I am funding in full the recommendations of Sir David Cooksey's review. We will expand the single fund for health research to £1.7 billion by 2010.

In the past, we paid a heavy price as a country for failing to invest when it was necessary, particularly in transport. We are putting that right and will double investment. By 2010, it will rise to £14½ billion a year, providing extra money for strategic road schemes such as the widening of the M1 and M6, and £1.3 billion a year for improving local and regional transport across the country. In addition, we will double the amount that we spend over the next two years on upgrading the national rail network, ahead of a further £15 billion for railways over the following five years. This also provides for the construction of Crossrail, which will be the largest transport project since the channel tunnel and essential for the competitiveness of not just the City of London but the whole country.

However, because transport requires investment year after year and decade after decade, I am extending to 2018 the long-term funding guideline of annual growth of 2¼ per cent. above inflation. That is possible only because of our commitment and ability to fund those long-term improvements. I am also today publishing proposals to give local authorities the power to set a business rate supplement for investment and local economic development, so that with their support they can provide opportunities for business expansion.

Making Britain one of the best places in the world to do business also demands a modern tax regime based on three clear principles: that our system is competitive, simple and fair. I confirm that the main rate of corporation tax will be cut by 2p to 28p next year. That is the lowest in the G7.

Working with business, we need to do more. I am announcing three reviews proposing simplification to the tax system that will let 3 million self-employed people pay their tax and national insurance contributions more easily and 500,000 businesses reduce their paperwork by removing a separate payroll. Taken together with other measures that I am proposing today, that will save British business up to £100 million a year.

The capital gains tax regime here has continued to encourage investment and enterprise. I now propose reforms to make the system more straightforward and sustainable; to ensure that it sets consistent incentives for investment and enterprise; and to ensure that it remains internationally competitive. The new code of conduct for private equity firms drawn up by Sir David Walker will be published next month and will set out much needed steps for increased transparency and disclosure.

I can tell the House that the changes that I propose to capital gains tax also, taken together with the tax loopholes that I am closing, will ensure that those working in private equity pay a fairer share. So from April next year I will withdraw the capital gains tax taper relief and in its place there will be just one rate of 18 per cent.—one of the most competitive single rates of any major economy. I am also proposing measures to combat income shifting, vehicle excise duty evasion, and to tackle the exploitation of national insurance exemptions.

I believe that it is right that everyone who lives and works here should pay their fair share. I therefore propose to close a number of loopholes which have allowed some people to avoid taxes that everyone else has to pay. Non-domiciled taxpayers already pay about £4 billion on their earnings. Any proposal for change has to be fair, workable and affordable. I can tell the House that I have examined proposals to impose a flat-rate annual charge of £25,000 on 150,000 non-domiciled taxpayers, which it is claimed would raise £3½ billion. There are in fact only 115,000 registered non-domiciles. I can tell the House, too, that if the charge of £25,000 were imposed, only an estimated 15,000 of those would earn sufficient money abroad to make it worth while to maintain non-domiciled status.

As a result, the combined effect of people paying this charge or changing their tax status would be revenue not of £3.5 billion but of only £650 million a year at most—a shortfall of more than £2 billion. In addition to that, such a charge could discourage men and women—doctors and nurses, business men and women—from coming to this country in the short term. Such men and women do pay tax on their earnings here, and do contribute to the country's wealth, and we do not want to turn them away. So I will now consult with a view to early legislation on an alternative route. As a first step, we will introduce a charge after seven years, then a higher rate after 10. We will prevent people claiming that they are out of the country when they are actually here, from disguising income as capital and from claiming in effect two allowances; and for completeness we will introduce a flat-rate charge for everyone. Those measures will raise an average of £650 million.

The two great challenges for this generation are the need to tackle climate change and poverty across the world. So alongside the pre-Budget report I am publishing the next stage of the implementation of the Stern review, setting out how Britain is meeting its environmental obligations. We are the only country to have met our Kyoto obligations. We have reduced our greenhouse gas emissions by almost a fifth since 1990.

Next month, when the climate change Bill comes before the House, we will become the first country to introduce legislation on binding carbon targets. I am today increasing the budget for the Department for Environment, Food and Rural Affairs to £4 billion in three years' time to help us tackle climate change and protect the countryside. I can confirm that that includes provision of £800 million a year by 2010 for flood defences. We now need to move further and faster on the next stage of the European emissions trading scheme. As part of that, we propose to increase significantly the use of the auctioning of carbon allowances, as we move further towards a low-carbon future.

Today I am also publishing an interim report by Professor Julia King, which shows that, by choosing the most efficient cars on the market today, drivers can cut emissions and their fuel bills by up to a quarter, and that with new technology and cleaner power we could cut carbon emissions from cars by up to 80 per cent. I will bring forward proposals in the Budget, after Professor King's final report, on ways to encourage the next generation of cleaner cars and incentives for people to buy them.

Air travel accounts for a growing share of carbon emissions, so it is right that aircraft emissions should be part of the EU emissions trading scheme. I also propose that aviation makes a greater contribution in respect of its environmental impact. For that to be as environmentally effective as possible, I intend from 2009 to levy the duty not on individual passengers but on flights, to encourage greater and more efficient use of planes.

I can also announce a new environmental transformation fund, and that fund will have a three-year budget of £1.2 billion, which will provide investment in new energy technologies here at home and resources to meet our obligation to support poverty reduction in the poorest countries through environmental protection.

I believe that it is to the lasting shame of this country that, in the 1980s and 1990s, aid to developing countries from Britain fell by almost a quarter. In 1997, we devoted just £2 billion—a quarter of 1 per cent. of our national income—to development aid. That figure today is over £5 billion, and today I can announce that overseas aid will rise again to £9 billion by 2010. In doing so, we will meet our commitment to double multilateral and bilateral aid to Africa from 2004 to 2010. That puts us on course to meet our European commitment of 0.5 per cent. of national income devoted to development aid by 2010; and then to meet our commitment to achieve, for the first time, the United Nations goal of 0.7 per cent by 2013. I can tell the House that we will meet all our international obligations to developing countries in full.

In the 20 years up to 1997, child poverty in Britain doubled. Since then, we have lifted 600,000 children out of poverty. Two and a half million more people are in employment. We believe that helping people into work is the best way of cutting child poverty and providing opportunity, which is why we shall continue to support the new deal. For the first time in 30 years, the number of people on incapacity benefit is falling, with almost 100,000 people taken off the incapacity benefit roll in the past two years. The roll-out of pathways to work will bring together the public, private and voluntary sectors to help more people into work.

I can confirm that, with 300,000 more lone parents in employment compared with 10 years ago, we can help even more lone parents by extending the top-up that they receive for the first 12 months that they spend back in work. In addition, I can also announce today further measures to take more children out of poverty. First, I am doubling the amount of child maintenance that a family can receive without affecting their family benefits to £20 a week next year and then £40 a week in 2010. Secondly, I am increasing the child tax credit by a total of £175 a year from next April, with a further

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increase in 2010, so that, for families on low incomes, children's benefits and tax credits will be worth at least £3,500 a year for the first child. Taken together, those measures will lift a further 100,000 children out of poverty.

Next year's rise in the basic state pension and other benefits will be announced later this month, but the pension credit for older people with just a small pension of their own will rise from next April by £5 a week and £260 a year for a single person and by £7.65 a week and £397 a year for a couple. That guarantees every person over the age of 60 at least £6,450 a year. We will bring forward the start date for flat-rating the state second pension to 2009.

I can announce that direct funding for social care will increase to £1.4 billion by 2010. That will help to provide new homes for older people and help people with disabilities to live independently in the community, as well as offering more services for carers. I can also announce an extra £200 million next year to deliver on our commitment to every pensioner and disabled person in England—guaranteed free off-peak national bus travel.

Today, home ownership is at 70 per cent.—that is nearly 2 million more than 10 years ago—but we need to do more; we need to ensure that there are homes for people to buy. Last year the number of homes increased by 185,000. That is the largest increase for nearly 20 years. Planning reforms that are coming before the House will help the building of more homes in an economically and environmentally sustainable way, as we provide additional investment to increase the level of house building to 240,000 a year by 2016. In total, that is an extra 3 million new homes between now and 2020.

I can announce that we will also spend over £4 billion over the next three years to help people living in poor quality housing to make renovations to their homes, so that by 2010, some 1.9 million of the poorest children and 1.7 million pensioners will have benefited. As we build more homes, we need to ensure that properties are not left unrented, unsold or unavailable for people to live in. I am introducing measures today that will help to bring empty residential properties back on to the market.

Buying a home is probably the biggest investment that people make in their lives. Fixed-rate mortgages can offer more certainty. I want to see more fixed-rate mortgages not for just two years but for 10 years or even longer. I will bring forward proposals at the Budget on reforms to help lenders to ensure that more people can fix their mortgages as a matter of routine, if it is right for them. As we prepare plans for more home building, for eco towns and for shared equity, we will also consider how else we can increase the supply of housing to help first-time buyers to enter the market.

Grants to local authorities for local services in England will increase to £26 billion by 2010. We have provided sufficient resources to ensure that local authorities can keep council tax rises substantially below 5 per cent. The budget for the Department for Culture, Media and Sport will increase to £2.2 billion in three years' time. That guarantees an inflation increase for the arts, free access to museums and galleries, and extra sport, so that every child and young person can take part in sport for five hours a week. It will also deliver the cultural Olympiad in the run-up to London 2012.

I can also set out the total settlements for the devolved Administrations in Scotland, Wales and Northern Ireland, giving them their full entitlement. In Scotland the figure will rise to £30 billion in 2010; in Wales it will rise to £16 billion; and in Northern Ireland it will rise to £10 billion. That, of course, is in addition to spending in Scotland, Wales and Northern Ireland on matters that are not devolved, such as spending on defence, tax credits and pensions, which benefit all parts of the United Kingdom.

I now come to my final decisions. In respect of capital gains tax, there is currently transferability between spouses, to recognise the fact that capital assets are built up jointly over a lifetime. In inheritance tax, there is currently 100 per cent. spouse relief over a lifetime, but there is no transferability of allowances. I want to ensure that husbands and wives can benefit from each other's unused inheritance tax exemptions, so I will raise the total amount of inheritance for married couples on which no tax is paid, and this will apply to civil partnerships, too. I can announce that, from today, the combined tax-free allowance for their estates will not be the current £300,000, but up to £600,000. By 2010, the combined tax-free allowance for couples will rise to £700,000. And I can do more: to ensure that people who have already lost their husband or wife will also benefit, I will backdate that indefinitely for every widow or widower.

Those changes mean certainty for up to 12 million married couples, with an allowance of up to £600,000, rising to £700,000, and the same entitlement for 3 million widows and widowers. That allowance is worth more than the value of 97 per cent. of homes in this country. In future years, we will take both house prices and inflation into account when setting inheritance tax thresholds.

I now have a further choice to make. As a result of our economic management, I can meet both our fiscal rules and invest more—£2 billion in 2010, in addition to the sum proposed at the Budget. If I was to raise the inheritance tax threshold to £1 million, it would cost a further £2 billion. I found that, under that proposal, £1 billion would go to estates worth more than £950,000—the top 1 per cent.—only. Instead, I decided to go ahead with raising the inheritance tax exemption to £700,000 for married couples and civil partnerships, and invest the additional £2 billion in health and education.

Let us now have a debate about what is affordable and what is fair in the future of inheritance tax. I welcome that debate. In this statement, I have managed to raise the arts and culture budget; to give the go-ahead for Crossrail; to meet our international obligations on overseas aid; and to double the budget for social housing and expand owner-occupation.

I can now announce that the final figures for education will be higher than originally proposed. I hope that all parties will support and match these new plans when I explain where the additional money is going. The Budget proposed that investment in

education and skills will rise to £74 billion in 2010, increasing education spending as a share of national income rising from 4.5 per cent. 10 years ago to 5.6 per cent. now. Today, I can announce, in addition, further investment, providing a £250 million fund to ensure that all children at school are ready to learn and benefit from personalised support.

I can also do more for the national health service. Over the next three years, the money we spend will rise again by more than its historic rate: on average, by 4 per cent. above inflation. This new investment will allow us to ensure a maximum wait of 18 weeks from referral to hospital, increased access to GP services and cleaner hospitals.

With the additional £2 billion I have available, I can now announce that investment in health in England will rise from £90 billion this year to a total of £110 billion in 2010. I could have spent that £2 billion on an inheritance tax reduction for the few wealthiest estates. Instead, I am able to raise the inheritance tax allowance and invest more in schools and hospitals for the British people. That means, in education, helping to build a new primary school in every local area by 2010. In health, when added to its budget, this will deliver 20 new hospitals, 140 new walk-in centres open seven days a week, and 100 new GP practices. We aim to ensure a regular check-up for every adult in the NHS, saving lives and improving the quality of patient care across the country.

We propose not unaffordable tax cuts that deprive public services of the money they need, but an affordable tax cut and improved investment in health and education, founded on economic stability. I commend this statement to the House.

**Mr. George Osborne** (Tatton) (Con): I do not know why the Prime Minister even bothered to turn up. He should have called that election, and let us give the Budget. Instead, we had a pre-election Budget without the election. We all know that the report was brought forward, so that it could be the starting gun for the campaign, before the Prime Minister took the pistol and fired it into his foot.

Let us deal straight away with the announcements on aviation, and on non-domiciles and inheritance tax. For 10 years, the Prime Minister has been sucking millions of families into the inheritance tax net. For 10 years, he has been pulling first-time buyers into stamp duty. For 10 years, he could have reformed air passenger duty. For 10 years, he did nothing on non-doms.

Now, a week after we introduced our plans, the Prime Minister and the Chancellor scrabble around in a panic trying to think of something to say. The Prime Minister talks about setting out his vision of the country, but he has to wait for us to tell him what it is. That is not leadership of this country—it is followership, Prime Minister. It is not strong, Prime Minister, it is weak. He has learned nothing from recent events. The public will see today's measures as a desperate, cynical stunt from a desperate and weak Prime Minister, and the public can tell the difference between a Labour party that sees this all as a cynical, calculating game, and a Conservative party that believes in lower taxes and in aspirations.

The Chancellor attacked my non-domicile policy, but then announced that he would consult on it. Will he confirm that? From this day on, let there be no doubt about who is winning the battle of ideas in Britain. If the Prime Minister wants to debate our policies, and if he wants to challenge the independent experts who support our costings, he should have the courage to call a general election, but he will not. This Prime Minister's name may appear on the cover of books about courage, but it is never likely to appear in the index.

These cynical stunts should not distract us from the fact that today was the day when the economic chickens came home to roost. Britain needs a Government who prepare us for the new economic revolution by freeing our economy, reforming public services and putting us on the path to lower taxes. Instead, we got a speech that boils down to this: growth is down, borrowing is up, the spending rate is down, and overall taxes are likely to go up. What a mess after 10 years in office.

The real charge against the Prime Minister is not just that he got his growth forecasts for the next year wrong, although he did. The real charge against the Prime Minister is, first, that he should have prepared the public finances for a slowdown in the economy, and he did not; and secondly, he should have prepared the public services for a slowdown in spending, but he did not do that, either. The pre-Budget report is the opposite of what a sensible, prudent Government should do.

Let us look at the public finances. After 15 years of global growth, we should be running a surplus in this country. Instead, we are entering what the Chancellor himself admits are difficult times, with Government borrowing out of control. The Prime Minister told us in last year's Budget that 2007 was the year when the finances would move into the black. Then, in this year's Budget he told us that he was wrong, but that at least borrowing would fall.

Today the Chancellor admitted that borrowing is going up again. Total borrowing this year is now expected to be £4 billion higher than forecast. We all waited for the moment when, as the former Chancellor used to do, he would rattle off the borrowing figures for the years afterwards, but he entirely missed them out—talk about burying bad news! Indeed, the annual deficit, which he did mention, will be £4 billion higher in the current year. The real tragedy is that the Government should not have borrowed in a boom; they should have saved. Now there is nothing left to prepare Britain for the rainy days that may lie ahead.

Why did not the Chancellor tell us that the savings ratio has fallen? Page 146 of the report shows that the savings ratio this year has fallen from 5½ per cent. to 3½ per cent. That is the lowest savings ratio on record. He did not tell us that the estimates for the growth of disposable income for millions of families have also fallen sharply from 2½ per cent. to 1½ per cent. this year. Why did he hide those figures? He should be blaming his predecessor, not copying him.

The Chancellor has not prepared us for the economic slowdown or the spending slowdown. The growth rate of spending has been cut in half. The Chancellor has been forced to share the proceeds of

*[Mr. George Osborne]*

growth. This is another example of us setting the agenda. Why cannot the Chancellor be honest with people about what that means, instead of trying to spin the figures?

Let us take the education budget. When the more gullible Labour Members cheered, perhaps they did not realise that the Chancellor is cutting the spending growth rate of education in half. The real tragedy is that the Government failed to use the boom years to reform education and prepare it for this slowdown. The building schools for the future programme, which the former Chancellor used to boast about, is now in such a mess that just 14 of the 100 schools that were supposed to open this year will do so. The £1 billion spent on tackling truancy has led to a 45 per cent. rise in it. The question people are asking is simple: where has all the money gone? *[Interruption.]*

**Mr. Speaker:** Order. Members should allow the hon. Gentleman to be heard. Clapping is not in order in this House.

**Mr. Osborne:** I might try that again: where has all the money gone in health? Why does not the Chancellor be honest with the public about what this health settlement means? The growth of health spending is set almost to halve in the next three years, so a health service that is already seeing maternity wards closing, accident and emergency wings shutting and staggered pay awards for nurses will now have to make do with a much slower rate of spending growth. It would have been able to cope better if the recent spending boom had been matched by reform.

I know that the Prime Minister has found himself a new health guru, Lord Darzi. Remember him? He is the one whose report sunk without trace last week. The Prime Minister should listen to the previous health guru, Derek Wanless, who says that the hoped-for productivity gains have not been achieved and that a lot of money has been wasted. When Wanless compared our health care with other similar countries, he found that Britain was still lagging on crucial outcomes such as life expectancy, infant mortality, cancer survival and health inequality. The Health Secretary puts it in a more technical way:

"We've put a lot of money in, but that hasn't led to a lot of happy bunnies".

Even with today's spending slowdown, this report confirms that the tax burden is now set to reach a record high—at a time when all our global competitors are trying to reduce their taxes. By the way, why did the Chancellor not tell us that this is a tax-raising pre-Budget report? We heard all the talk about inheritance tax and so on, but I see that in 2010-11 there will be a £1.4 billion rise in taxes as a result of the measures that he announced from the Dispatch Box just a few minutes ago.

This pre-Budget report should have prepared our country for the new economic revolution, but instead we got over-spun claims, desperate stunts and fake figures from a Government who have given us fake photos, fake troop withdrawals and fake hospital openings, all led by a Prime Minister who is increasingly seen as a fake.

The Chancellor should spare us the Brownite nonsense and save it for the election campaign. Instead, he should give us straight answers to these straight questions. First, will he confirm that the Prime Minister got the growth and borrowing forecasts wrong? Secondly, will he confirm that the growth rate of health and education spending will be cut by almost half? Thirdly, will he confirm what he did not say when he gave his original report: that this report raises taxes overall? Out of curiosity, will he also confirm that he had no plans to reform inheritance tax in this PBR until we made our announcement and he looked at his polls? We know that the Prime Minister cannot give straight answers to straight questions, so let us see whether the Chancellor can do any better—let us see whether he can begin to restore trust in this weak and cynical Government.

**Mr. Darling:** I thank the shadow Chancellor for his response. It strikes me that he might have benefited— *[Interruption.]*

**Mr. Speaker:** Order. Members should let the Chancellor speak.

**Mr. Darling:** The shadow Chancellor might have benefited from rehearsing his lines a bit longer before he delivered them. Listening to him and to some of his colleagues, it is striking that they find it difficult to acknowledge in this Chamber that we have one of the strongest and most stable economies in the world. They have no difficulty in doing so outside this Chamber when talking to business audiences, when they have to concede that thanks to the stewardship of my right hon. Friend the Prime Minister over the past 10 years we have a very strong and stable economy. It is precisely that stability that will enable us to deal with the international uncertainty that we now face.

Another striking thing about what the hon. Gentleman said—as he desperately confers with his colleagues on the Front Bench—is how on earth he thinks he can maintain stability when he has made promises during the past week on inheritance tax, stamp duty and tax credits and has no means of delivering on those spending commitments. He has a black hole—£6 billion that he cannot find.

When he was talking about inheritance tax, the hon. Gentleman said that he set great store by independent experts, so I thought I would check to see which independent expert advised the Conservatives on their inheritance tax policy. I listened to the Leader of the Opposition as he went round the television studios last week, and he kept referring to *Accountancy Age* as the authority for the fact that there were so many people not paying tax. I read *Accountancy Age* and found out the source of this independent expert, and it turned out to be an article in a Sunday newspaper. And when I read the Sunday newspaper to find out where its figure came from, I learned that it was an "unnamed tax expert". How on earth can we have any confidence in a man who wants to be Chancellor when he bases his estimates on what is in a Sunday newspaper, not on firm evidence?

If the Opposition make promises that they cannot afford, there will be instability, increased borrowing and taxation rises elsewhere, or cuts in health,

education and other areas. It is precisely such instability that got the Conservatives into so much trouble when they were last in government. The choice is between an affordable tax cut and irresponsible, unaffordable promises being made by the Conservative party.

The second striking thing relates to my announcement in my speech that we were able to spend £2 billion on health and education. I noticed that at no point did the hon. Gentleman say whether he would match that commitment. Now, next week and during the next few months, we shall continue to ask the Conservatives whether they are prepared to meet our commitment on health and education. The truth is that they cannot afford to; they are already committed to reductions in tax and increases in expenditure that they cannot afford because they have not identified how they would carry them out.

The hon. Gentleman criticised us by saying that health spending was not rising as fast as it should. I came into possession of certain information just a few hours ago, and I can tell the House that we are spending more on health than the Conservatives thought. Helpfully, one of their Members—perhaps someone waiting to cross over to us in the next few months—left the Tory crib sheet in the photocopier in the House of Commons. There is a suggested question on this and, by the way, I have all the suggested questions. [HON. MEMBERS: "Answer!"] I intend to answer the question that they have for me in the document. It asks whether the Chancellor can confirm that growth is only 3.5 per cent. a year. The health increase is at 4 per cent. a year—more than the Conservatives thought.

It is obvious that if the hon. Gentleman had his way, we would have a series of unaffordable promises on tax and spending that his party could not meet. In contrast, we will continue to take no risks with stability and we will continue to build the stability our economy needs because that is the best way of protecting the interests and aspirations of people in this country.

**Dr. Vincent Cable** (Twickenham) (LD): I thank the Chancellor for an advance copy of his statement, but 12 of the 18 pages were blank. Is that a new signal of open government and transparency? I congratulate him on adopting our long-standing policy on aviation taxation. There have also been welcome announcements on overseas aid, carers and social housing—*[Interruption.]*

**Mr. Speaker:** Order. That is bad manners. The hon. Gentleman should be heard and any Member leaving the Chamber should do so quietly.

**Dr. Cable:** May I also sympathise with the Chancellor for having obviously spent the past 72 hours rewriting a speech that was originally intended to be a chapter in the election manifesto, and for having only just recovered from the ignominy of being the first Chancellor of the Exchequer since 1866 to preside over a run on a bank? Not since Black Wednesday has there been such a collapse of confidence in the authority of Government.

Let me begin with the key point in the Chancellor's statement: the slowdown in the economy. We are in a rapidly changing and deteriorating environment. In the United States, to which we are closely linked, Alan Greenspan estimated that the risk of a recession approaches 50 per cent. What is the Chancellor's assessment of the risk of a recession in Britain—50 per cent., 30 per cent., 20 per cent., 10 per cent.? It is an important question because factors that could precipitate a recession in the United States—personal debt and a bursting bubble in the housing market—are even more extreme in the United Kingdom.

Let me put to the Chancellor a question that I posed to his predecessor four years ago. I asked,

"is not the brutal truth that...the growth of the British economy is sustained by consumer spending pinned against record levels of personal debt, which is secured, if at all, against house prices that the Bank of England describes as well above equilibrium level?"—[*Official Report*, 13 November 2003; Vol. 413, c. 397.]

In the subsequent four years, every one of those indicators has deteriorated. Cannot the Chancellor bring himself to accept that millions of families are being squeezed by a combination of reducing disposable income and higher interest rates as a result of moving from fixed-rate mortgages in the next few months? Does not he accept that there is a major vulnerability in the UK economy?

The slowdown has major implications for the spending review, which makes grim reading for many Departments. The Chancellor has promised the largest increase in health spending. As I understand it, he said today that health spending will grow by 4 per cent. Will he confirm that the Wanless report argued that 4.4 per cent. growth was the absolute minimum required to sustain improvements in patient care? That assumed that the maximum amount of health service reform was achieved, which has clearly not happened. Will he confirm that, when we consider all the spending commitments, the growth that he suggests—I believe that it is 1.9 per cent. a year—is only fractionally higher than that achieved in the 18 years of Conservative government?

Will not local government now take the biggest hit? Something that did not appear in the statement but is buried in the report is the fact that council tax is due to rise by 5 per cent. a year throughout the UK. That tax bears disproportionately on low-income families and pensioners. At a time when the Chancellor is scrambling to catch up with the Conservatives on inheritance tax, why has he paid no attention to a report and an analysis conducted over four years on the need for reform of that hated and regressive form of taxation?

On poverty more generally, has the Chancellor made time today to glance at the parliamentary ombudsman's report on tax credits, which has the wonderful, evocative title, "Tax Credits: Getting It Wrong?"? Is he willing to be a little more open-minded than his predecessor and consider the parliamentary ombudsman's recommendations for simplifying and making a great deal fairer that hopelessly overcomplicated system?

**Mr. Roger Gale** (North Thanet) (Con): Three hundred thousand cases.

**Dr. Cable:** Absolutely.

On taxation, I am glad that, a few months after I introduced a debate in the House on the super-rich, there appears to be an all-party consensus that we should do something about it. However, the Government

*[Dr. Cable]*

have got only themselves to blame for their current position with regard to non-domiciled investors. Five years ago, they commissioned a report, which was suppressed under the Freedom of Information Act 2000. The data were released only a few days ago. However, I agree that there is little merit in the idea of a poll tax on non-domiciled investors. It would be unfair to many immigrant workers of modest means and a fleabite to the super-rich. For the Abramovichs of this world, a £25,000 charge is roughly the equivalent of what they would spend on a day out at Stamford Bridge. For the noble Lord Ashcroft, £25,000 is roughly the equivalent of one marginal seat.

In conclusion, perhaps I could say something a little more positive and sympathetic to the Chancellor. We know from the press releases that he advised the Prime Minister against a dash to the polls and to stay the course. In the light of the gloomy outlook for the British economy, whatever else one says about the Chancellor, he is a very brave man.

**Mr. Darling:** First, may I apologise if we sent a series of blank sheets of paper to the Liberals—[HON. MEMBERS: "You always apologise."] Well, I will apologise, but it did enable the hon. Gentleman to jot down today's Liberal party policy. Rather like the Conservatives, he overlooks the fact that over the past few years we have established a strong and stable economy, which will enable us to deal with the uncertainty that we face today. As I have said to the House and as I said last week, the reason we have adjusted our growth figures is that it is sensible in the light of what people are saying—that the uncertainty will have an effect not just here but across the world—to do that.

If I understood the hon. Gentleman correctly, I agree with him that there ought to be more fixed-rate mortgages. Indeed, I said that during my statement and I said it just a few weeks ago. I would like people to be able to fix their mortgage rates for a lot longer, not just because that would be good for them, but because it would be good for the country as a whole.

I am not sure that I follow the hon. Gentleman's point in relation to the Department of Health. We have been able to increase the amount of money being spent on health over the past few years. There is a further 4 per cent. real-terms increase, which will enable us not only to build more hospitals and provide new GP practices, but to provide health check-ups for individuals, which is important. It has never been clear to me whether the Liberals want to spend more on health or less—it really depends on what day we are listening to them. What I do know, having looked at the Liberals' proposals on tax, which cost around £18 billion a year, is that it is not clear where they are going to get the money from even to finance a small part of what we believe is necessary in public services.

The hon. Gentleman talks about poverty. I strongly believe that we need to do more to reduce pensioner poverty and child poverty. Today I announced proposals to take another 100,000 children out of poverty. However, the Liberals' proposals on income tax would actually disproportionately benefit people with higher incomes, so I do not think that he is in a particularly strong position to lecture us on that.

As I said at the last Treasury Question Time, there are problems in the administration of tax credits. However, the hon. Gentleman should not lose sight of the fact that more than 6 million families have benefited from tax credits. I believe that the policy of helping people on low incomes is absolutely right, which is why I intend to stick with it.

**John McFall** (West Dunbartonshire) (Lab/Co-op): I welcome the measures that the Chancellor has announced on simplifying the tax system, particularly on corporation tax and capital gains tax, and on fairness in private equity. As he knows, the Treasury Committee looked at the issue. We had practitioners from the industry lining up to say that it was terribly unfair for millionaires to pay less tax than their cleaners, so the steps that the Chancellor has announced today are welcome.

However, does my right hon. Friend agree that if we are to continue to enjoy prosperity in this country, we need economic stability? In that context, the Governor of the Bank of England mentioned that the UK's economic fundamentals were there when he appeared before our Committee, while the Organisation for Economic Co-operation and Development has praised the UK's monetary and fiscal framework. Will the Chancellor give a guarantee that any tax initiatives that he has announced today have been costed and can be funded in the long term? Otherwise, the chickens will come home to roost sooner than people expect.

**Mr. Darling:** I agree with my right hon. Friend. As the Chairman of the Treasury Committee, he knows a great deal about the subject. In particular, he knows that it is essential that the Government stick to the position that they have followed over the past few years. It was our strength and stability that meant that we dealt with the problems that arose after the collapse of the Asian stock market in the 1990s and of the American stock market in the early part of this decade. We have been able to do that precisely because we have not made promises on tax and spending that cannot be financed. As I said earlier, it is striking that the shadow Chancellor made little attempt to defend his position or to explain how he would fill that black hole.

In relation to spending, as my right hon. Friend the Member for West Dunbartonshire (John McFall) has said, it is important that we maintain expenditure where it will benefit the country in the long term. I understand that a Conservative Front Bench spokesman has already been on the radio failing to say that he would match us in spending that additional £2 billion on health and education.

**Mr. Kenneth Clarke** (Rushcliffe) (Con): The Chancellor has acknowledged that we are going to have a very sharp slowdown of the economy at the end of a period in which a sea of household and Government debt has sustained growth so far. Does he not therefore accept that people will be looking to today's statement to see whether he can restore confidence in the Government's fiscal policy through what might be a very difficult phase for our economy? Does he not think that he should have introduced some new fiscal rules to replace the two discredited fiscal rules of his predecessor? Does he not also think that it was a

mistake to start playing around with the dates of the cycle as he did, so as to pretend that either of those rules was remotely credible? Does he not think that, when he announces that he is obliged to halve the rate of growth in public spending, compared with the rate that we have experienced for the past six or seven years, such an announcement should be combined with measures to indicate how reform can be accelerated, productivity improved and choice and competition actually delivered, in order to get a better quality of service for the money? With respect, his statement was devoid of any such measures. So far as he was concerned, this was the end of the party conference season. Does he not acknowledge that he will have to do some serious work over the winter if he is to retain even the modest levels of economic growth that he announced?

**Mr. Darling:** I seem to remember that the levels of debt that we have today are rather better than those that existed when the right hon. and learned Gentleman was Chancellor of the Exchequer. In relation to spending, I think that he was complaining that we were not spending enough, yet I had always understood that his party's position was that we were spending too much. The amounts of money that we are spending on public services such as health and education are considerably more than was the case 10 years ago when he was Chancellor of the Exchequer, as he well knows.

In relation to the revision to the growth figures that I have given, I believe that it is sensible to do that because of what is happening internationally. The problems that started in the American housing market have clearly spread across the world. I made the point earlier that we need to take account of that, although, given the strength of the British economy, there is every reason to believe that we can get back on track with growth in the years after that—that view is shared not only by me but by independent commentators—because our economy is fundamentally strong, and it can deal with these difficulties. That is a rather different position from that of the Conservative party in the early 1990s.

**Rob Marris** (Wolverhampton, South-West) (Lab): I welcome the continued stability and growth outlined in the pre-Budget report. I want to ask my right hon. Friend about Northern Rock and the financial assistance scheme. When Northern Rock was in difficulty, the Chancellor rightly stepped in and made the state the insurer of last resort. The Government have consistently said that they will not do that in relation to the 125,000 pensioners who will benefit from the financial assistance scheme—set up, uniquely, by this Government—but not at a rate of 100 per cent. I did not notice anything in the statement today to suggest that the Government had changed their position on this and made themselves the insurer of last resort for those pensioners—in whose case there was an adverse ombudsman's finding—as they did in the case of Northern Rock, in which there was no such finding.

**Mr. Darling:** I am sure that we will have an opportunity to discuss Northern Rock later in the week. The reason why I agreed that the Bank of England could provide lender of last resort facilities to Northern Rock was that I was concerned that damage might be done to the banking system as a whole. That is the only ground for intervention—a fear of systemic failure. It is not the policy of the Government or the Bank of England to intervene unless there is a risk that something that is happening in one bank will spread to other banks. That is why we intervened, and to that extent the case is quite different from that of any company in another sector.

In relation to the financial assistance scheme, my hon. Friend will recall that we gave an undertaking in July to bring the support up to 90 per cent., if we can do that, and I hope that we will be in a position to say something about that in the not too distant future.

**Mr. Michael Fallon** (Sevenoaks) (Con): Given that the Chancellor's predecessor consistently overestimated corporation tax receipts and ended up having to borrow £100 billion more over the last five years than was originally forecast, what assurance can the right hon. Gentleman give that his revenue and borrowing figures are any more robust than his predecessor's?

**Mr. Darling:** Just a few moments ago, the hon. Member for Tatton (Mr. Osborne), who is continuing his huddle on the Front Bench, was criticising me for taking the necessary steps to ensure that I had made the necessary provision. I say two things in response. First, I want to ensure that we maintain a strong economy, which will help the financial health of companies and enable them to contribute through the tax system. I want to ensure that this is a good place to do business so that we can continue to attract more companies here, which we have been remarkably successful in doing. Secondly, as I said at the start of my statement, I have taken a prudent approach to the economy in order to ensure that we can support the economy as a whole. What we do fiscally must be the right thing to do in the light of present circumstances.

**Mr. George Howarth** (Knowsley, North and Sefton, East) (Lab): I warmly welcome my right hon. Friend's announcement on the increase in supply of housing for sale, which will be greatly welcomed, particularly by young families just starting out in life. Will he confirm whether there will also be an increase in the supply of social rented housing?

**Mr. Darling:** I know that my right hon. Friend has long been concerned that that should happen. I hope that, with the additional money that we can make available, we will be able to improve the stock when it comes to new build or renovation of affordable housing. It is important that the supply of housing and the housing market should reflect the differing needs of people in this country. Most of us are concerned about the difficulties faced by people on lower incomes. There are two sides to dealing with the problem. We look to see what we can do to help generally, but the key is to get more affordable housing into the market. That means money, and we are prepared to provide it, but it also means reform of the planning system, for which I hope we will gain all-party support.

**Sir George Young** (North-West Hampshire) (Con): Does the Chancellor accept that the NHS, for which the Government have responsibility, has consistently done better than social services, for which local government has responsibility? Will he confirm that he has done the same today? Does he recognise that local authorities are now spending billions more than their formula spending assessments on social services and are increasingly having to ration care and introduce charges? Would it not have been preferable, if we want to take some of the pressure off council tax, if we believe in joined-up government, and if we want to spend effectively on individuals, to have a better balance between health and social services?

**Mr. Darling:** I agree with the right hon. Gentleman. It is important to ensure that social services are properly funded. In my statement I announced a number of measures to help elderly people in particular, and also those with disabilities. We have increased the amount of money going to local government. It is obviously for individual councils to decide how they allocate that money. I believe that we have provided resources, through the health service and local government, to enable councils and others to make improvements to provide the care that we all want to see.

**Ms Sally Keeble** (Northampton, North) (Lab): May I ask my right hon. Friend a bit more about his welcome announcement of increased spending on law and order, especially on local police budgets and local police teams? What would that mean in terms of the number of officers? Many people, including those in my own area, want to see more armed officers—*[Interruption]*—sorry, I mean uniformed officers, out on the streets.

**Mr. Darling:** I agree that we all want more uniformed officers on the streets, and I know that my hon. Friend has been vigilant in ensuring that the Government live up to their promises in that respect. We have made additional money available to the Home Office, but it is obviously for chief constables to decide how best to employ that money. I hope that by making this additional money available, we can ensure that police officers are placed where and when they are needed. I hope that the chief constable in my hon. Friend's area recognises the additional funds invested and uses them to place the right number of officers where they are needed to police the streets.

**Mr. Phil Willis** (Harrogate and Knaresborough) (LD): I warmly welcome the £1.7 billion for the full implementation of the Cooksey reforms, but can the Chancellor confirm that the increase in resources by 2011 will not be at the expense of the Medical Research Council and basic research, and that resources for NHS clinical research will grow at the same rate?

**Mr. Darling:** I am grateful for what the hon. Gentleman has said. Over the past few weeks—and, indeed, in my previous capacity as Secretary of State for Trade and Industry—I have been struck by how advanced many developments are in this country, and the collaboration between universities and the health service is something that I want to encourage. The Prime Minister and I were at University college London this morning, and saw an excellent example of the way in which such collaboration is producing treatments and diagnostic skills that simply were not there just a few years ago. It is not only cutting the amount of time for which patients have to be in hospital to receive their treatment, but enabling more effective treatment to be provided. Yes, the Cooksey budget was identified as being a separate budget, and I think it very important for that to be the case. Sir David spent a great deal of time looking into the issue, and I was determined to ensure that he was given the funds that he needed.

**Mr. Tom Clarke** (Coatbridge, Chryston and Bellshill) (Lab): Rather disturbingly, neither Opposition Front-Bench spokesman sought to match the Chancellor's excellent achievements, or his projections on overseas aid to help some of the world's poorest people in the world's poorest countries. Does the Chancellor agree that when the Government achieve the figure of 0.7 per cent. of gross national income by 2014—as I believe they will—it will be consistent with our millennium development goals, and that when the Government achieve it, as some Scandinavian countries already have, it will not be beyond their horizons to build even on that?

**Mr. Darling:** For many years, in the House and outside, my right hon. Friend has campaigned for an increase in the amount that we contribute to overseas aid. I remember wondering years ago—before I was in the House, and during my first 10 years here—whether we would ever be able to get back on track to meet our international obligations. Now we are back on track, and have been able to bring forward the date for our commitment of 0.7 per cent. of gross domestic product.

As my right hon. Friend knows, the Prime Minister and his predecessor spent a great deal of time at Gleneagles securing international agreement and persuading all countries to join us. I am absolutely committed to meeting our international obligations. I only hope that there is cross-party support for that—although I am bound to say that, given their spending commitments, it is not clear to me how on earth the Opposition could possibly meet them.

**Sir John Butterfill** (Bournemouth, West) (Con): Do the Chancellor's estimates for public sector debt in total include the liabilities of private finance initiative and public-private partnership schemes? If they do not, can he tell us what the figure would be if they did?

**Mr. Darling:** I think the hon. Gentleman will find all that spelt out in the pre-Budget report that I have published today. As for whether PFI projects are classified as being on or off the Government's balance sheet, that is a matter for the Office for National Statistics.

**Mr. Neil Turner** (Wigan) (Lab): I congratulate my right hon. Friend on finding money to put into health and education rather than giving tax cuts to the extremely wealthy, but despite the excellent progress we have made, inequalities still exist in our country. Will my right hon. Friend use his position to ensure that the greatest proportion of the additional money that he

gives to the Department of Health and the Department for Communities and Local Government goes to the areas with the most inequalities?

**Mr. Darling:** I very much hope that we shall continue to reduce those inequalities in all that we do, whether in local government or in the health service. It is important that we in central Government do our bit. That is why I said to the hon. Member for Twickenham (Dr. Cable) that although we clearly have difficulties to overcome with tax credits, they are clearly a very good way of putting money into the pockets of families who need that help.

It is sometimes forgotten that there is another big thing we can do to deal with inequalities. As my hon. Friend knows full well from the area that he represents, getting people into work makes a massive difference to their prospects. I worry about the Opposition's proposals and the instability that they would create, because the inevitable result would be that, sooner or later, unemployment would go up. That has happened in the past, and we do not want it to happen again.

**Sammy Wilson** (East Antrim) (DUP): The gloom that was evident on the faces of the Members behind the Chancellor today when he talked about the pre-Budget report will be reflected in Northern Ireland. It is predicted that growth will fall by 50 per cent and that growth in public expenditure in Northern Ireland will be 1.2 per cent, as against the 1.9 per cent. generally that is announced in the report. That will have an impact on the economy. In light of that, will the Chancellor consider proposals to change fiscal policies, for example, in Northern Ireland, which will help the Northern Ireland Executive to grow the private economy to fill the gap left by the reduction in public spending?

**Mr. Darling:** Perhaps I could make a general point to the hon. Gentleman, which I might equally make to the Welsh and Scottish nationalists—*[Interruption]*—well, I certainly see a Scottish nationalist—*[Interruption.]* Two of them, indeed. The devolved Administrations all have their Barnett entitlement in full. There have been no changes to the basis on which that is calculated. They get the money as they always have done. However, that is not the whole story, because money spent nationally on, for example, tax credits, pensions and defence is also money that is spent in Scotland, Wales and Northern Ireland.

On the particular point that the hon. Gentleman made, I strongly agree that we need to encourage more private sector investment in Northern Ireland. I am sure that he will agree that at the moment public sector investment and public sector spending in Northern Ireland is disproportionate; it is much higher than any of us would like. He will also know that we asked Sir David Varney, who has been working on his report, to look at those things. However, a lot of things in Northern Ireland need to be looked at to encourage investment. One in particular is education and skills. When we ask business people in Northern Ireland what they want, they say that they want to ensure that when they set up businesses, they have the work force with the necessary skills, as well as investment, infrastructure and other factors.

**Paddy Tipping** (Sherwood) (Lab): Will the Chancellor confirm that he can afford free health checks, better health and a better future for the many by resisting the temptation to go back to the past by offering unsustainable tax thresholds for inheritance tax for the very few?

**Mr. Darling:** My hon. Friend makes a good point. Free health checks for people are a very good policy. I am sure we can all think of individuals who are alive today who might not have been if they had not happened to go to the doctor for a check-up. Doing that as a matter of routine seems to be eminently sensible, not just for them but for the good of the country as a whole. There is no doubt that if a party gets itself into a position where it promises to cut taxes by £5 billion and it has no idea where to get the money, sooner or later it will find that it cannot pay for the health service, education or anything else.

**Mr. Edward Leigh** (Gainsborough) (Con): Why was more not made today of efficiency gains? Since 2001, the Public Accounts Committee has made some 2,500 recommendations in more than 300 unanimous reports. Most of those recommendations have been accepted by the Government, but many of the lessons are not being applied across Whitehall. In the light of the sheer size of the Government budget, does the Chancellor accept that an efficiency gain of just 2 per cent. in the use of resources would generate £8 billion-worth of savings every year? That would be enough to lead not only to increased spending on priority areas, but to a real reduction in the overall burden of taxation. Finally, does he agree that any Government or party that promised to return to the people a share in the proceeds of growth as well as a share in the proceeds of efficiency would be on to an election winner?

**Mr. Darling:** It is funny that the hon. Gentleman should say that, because at the last election the Conservatives said that they could get lots of savings out of paperclips, and it did not turn out to be the election winner that they thought it might be. When we started to look at what was being proposed, we found, just as we are finding now, that one did not have to look too far to see that promises were being made on the basis of money that had not yet been saved. That way lies the very instability that I have talked about.

On the hon. Gentleman's more serious point, I agree that Government can always be more efficient. I said in my statement that our review identified £30 billion-worth of savings, which Departments will have to accomplish because if they want to meet the spending that they have set out they will have to find that efficiency saving. Following the Gershon report, £20 billion has already been saved; I have not the slightest doubt that all Government Departments, and the public sector generally, can always do more, and the pressure that the hon. Gentleman's Select Committee brings to bear on Departments in this regard is useful.

**Mark Durkan** (Foyle) (SDLP): Will the Chancellor confirm—so that I can welcome the fact—that the new improved child element of child tax credit will benefit some 130,000 families in Northern Ireland? On the wider issues, did an earlier answer that he gave indicate

*[Mark Durkan]*

that in spite of significantly improved allocations to health, education and social housing, there will not be any translated increase in the Barnett allocation to Northern Ireland beyond what the Chancellor's predecessor promised to the Northern Ireland parties back in the spring?

I welcome again the Government's reaffirmed commitments on official development assistance. Will the Chancellor confirm that they will hold, no matter what the uncertainty brings, and will he colour in what that means in terms of the Department for International Development's budget for education and the fight against AIDS, tuberculosis and malaria?

**Mr. Darling:** I am happy to hear a slightly different view from Northern Ireland in relation to Government expenditure, because increasing expenditure for Northern Ireland to £10 billion is very good for Northern Ireland. I can also tell my hon. Friend that, of course, the money that I announced to help us meet our target of getting 100,000 children out of poverty covers children in Northern Ireland—as it does children in the rest of the United Kingdom. I am sure that the tax credit increase will be welcomed by many families living in Northern Ireland, and my hon. Friend is right to welcome that.

My hon. Friend is also right to welcome the increase in the money that DFID will receive for overseas aid. However, the allocation within the Department is a matter for my right hon. Friend the Secretary of State for International Development, who will no doubt want to make further announcements in due course.

My hon. Friend highlights the fact that we have been able to make and confirm such allocations. We know that we will be able to deliver on them, because we have been running the economy and not making uncosted and irresponsible promises. Being unwilling to play to the gallery can at times be unpopular, but it is the right thing to do in the long-term interests of this country.

**Stewart Hosie** (Dundee, East) (SNP): The Chancellor confirmed a number of things today, such as that the growth rate will fall and borrowing will remain high at about £30 billion. However, he failed to confirm that 75 per cent. of his PFI liability was off balance sheet—hiding the numbers—and he did not tell us what research and development spending was this year. Instead, he said there would be another report, which I will look at with some interest. However, we know that R and D spending for the future has been lamentable. Nor did he tell us, although it has been published, that the balance of trade deficit is some £45 billion—a direct consequence of the 1 million lost manufacturing jobs.

The Chancellor did, however, tell us two things, and I have questions about those. He spoke about Crossrail and the Olympics. There will be Government funding of at least £5 billion for each of those projects. Will he confirm that that will be subject to the Barnett formula? He also said that the Scottish departmental expenditure limit would rise to £30 billion by 2010. That would appear to amount to a 1.4 per cent. annual rise for each of the three years, but can he confirm that, with the shaving of more than £300 million off the Scottish baseline figure, that amounts in real terms to barely a 0.5 per cent. rise for each of the next three years? If that is the case, when his own report states that

"oil prices have risen above consensus forecasts"

because of factors such as "resilient demand", and oil revenues are flooding into the Treasury, is it not shameful that a mere trickle of barely a 0.5 per cent. rise in real terms is returning to Scotland?

**Mr. Darling:** Let me respond to the various points the hon. Gentleman makes. First, most people might think that an increase of the budget in Scotland to £30 billion was not only the right thing to do, but that it also provided the Scottish Executive—even one currently led by somebody whose ambitions far exceed his ability to deliver them—with sufficient resources to spend on health, education, transport and many of the other things that Scotland needs. Scotland got its full share of Barnett expenditure; absolutely nothing has changed in relation to that. That means, for example, that Scotland—as well as Wales and Northern Ireland—also got its Barnett share of the expenditure on Crossrail. Although Crossrail is largely a railway line and tunnel in the middle of London, Scotland got the Barnett consequentials of it.

I would have thought that the nationalists—whose own policy would mean that the sums would not be available, because of all the disruption that would be caused to Scotland by tearing it away from the rest of the United Kingdom—would be able to see that, on any view, the settlement is very good, especially when they consider the amount of public spending per head of population in Scotland compared with that in the rest of the United Kingdom.

I shall say one other thing. As an Edinburgh MP, I follow closely what is happening in the Scottish Executive. It is increasingly clear to me that the reason why the nationalists are blustering and complaining so much is that they cannot afford, and are not able to deliver on, the promises that they made earlier this year.

**Mrs. Ann Cryer** (Keighley) (Lab): Can my right hon. Friend comment on the plight of some of my constituents who are former council house tenants? They are having the greatest difficulty in getting the trust to do any repairs or improvements to their properties. Is there anything in the report that might help those constituents?

**Mr. Darling:** There is certainly more funding available, and I have made a change to the treatment of repairs for VAT purposes. However, if my hon. Friend sees me or drops me a note, I shall be interested to learn from her what the particular problem is. It may be a problem with money in the past, or some other problem. We have certainly made money available overall; perhaps the change in relation to VAT that I have made today will help.

**Mr. John Redwood** (Wokingham) (Con): Can the Chancellor tell us the current total borrowing figure for the public sector, adding in all the off balance sheet obligations under PFI/PPP, the guaranteed loans in parts of the public sector and the unfunded pension

liabilities? I know that he is a strong admirer of transparency, and expects such accounting from the private sector.

**Mr. Darling:** As I said earlier, borrowing this year is lower than we expected. On public expenditure generally, and borrowing and PFI, the borrowing figures are set out in the Red Book, as I said. However, I wonder about this: one of the things that I thought good about the report that the right hon. Gentleman commissioned for his leader was his commitment to the necessary public investment in transport, for example.

We can deliver on our commitments, not only for transport but for health and education, only because we have been prepared to finance that partly directly by Government and partly through PFI. I have never understood the enthusiasm of Conservative Members who speak about PFI as if they wanted to see it end. I think that both that investment and the way in which we have financed it are absolutely justified; otherwise, we would never get the investment that the right hon. Gentleman himself called for in his report.

**Mr. Adrian Bailey** (West Bromwich, West) (Lab/Co-op): Does my right hon. Friend agree that the resilience of the British economy in the face of international problems, such as when the dotcom bubble burst a few years back, the soaring prices of oil and raw materials and, more latterly, the collapse of the sub-prime market in the USA, is due in no small part to sound public finances and the robust economic model that the Treasury has pursued in this country? Will my right hon. Friend undertake to ensure that that is maintained as a priority? Secondly, in light of the additional investment being put into our public services in spite of the international difficulties, will he ensure that we also look at productivity gains to add value to the extra money that we are still able to put in?

**Mr. Darling:** I agree with my hon. Friend that it is important to increase productivity in both the private and the public sector, and that the expenditure that I have been able to announce today is possible only because we can pay for it. We can do that because we have been careful to balance what we promise to spend with the money that we think that we can gather in—something that cannot be said of the Opposition.

**Mr. Julian Brazier** (Canterbury) (Con): The Chancellor tells the House that the economy is sound, but will he remind us of the last time the savings ratio was so low? In how many other European countries is household indebtedness at British levels, and in which other countries has there been a run on a bank recently?

**Mr. Darling:** I am sure that the hon. Gentleman knows that, both here and in other countries, the savings ratio falls when the economy is growing and inflation is low—but that is not to say that we do not need to do more to encourage people to save more. As for personal debt, it is true that some people have borrowed quite a lot of money to finance things, but the overall level of household assets exceeds the level of indebtedness by a considerable margin. Finally, on the subject of the strength and resilience of our economy, I think that the hon. Member for Canterbury (Mr. Brazier) will find that our economy is much stronger and more resilient now than it was when he was sitting on the Government side of the House.

## Point of Order

5.1 pm

**Mr. William Cash** (Stone) (Con): On a point of order, Madam Deputy Speaker. During Foreign Office questions, the Foreign Secretary said that he had placed papers in the Library—and also in the offices of the European Scrutiny Committee and the Foreign Affairs Committee—that supposedly gave sustenance to his argument that the so-called red lines have remained as the Government interprets them. However, I have made inquiries of all the offices involved and have discovered that no such text has been received. Furthermore, even though the Foreign Affairs Committee is sitting tomorrow, there is no indication that the Government's assertions—which run contrary to yesterday's report from the European Scrutiny Committee—have been justified by any legal experts, whether external or otherwise.

**Madam Deputy Speaker (Sylvia Heal):** The hon. Gentleman is an experienced Member of the House, and will no doubt know what I am about to say—that that is not a point of order for the Chair. However, his remarks will have been heard on the Treasury Bench, and I shall certainly make sure that some inquiries are made.

## Ports (Regulation)

5.2 pm

**Anne Moffat** (East Lothian) (Lab): I beg to move,

That leave be given to bring in a Bill to regulate the activities which can be undertaken in UK ports; to place certain duties on harbour authorities; and for connected purposes.

Colleagues will know that this is certainly a complex issue. I have raised it in the House on many occasions, but it has become increasingly clear that UK regulations that comply with the habitats directive need to be put in place. Under such regulations, the implications—and, if necessary, the public-interest arguments—of the firth of Forth scheme and similar proposals could be fully considered.

The seas around the UK currently have no legal protection. That means that some of Scotland's most precious wildlife, from sea birds to seahorses, is at risk from human impacts such as shipping, marine developments, fishing and pollution. Currently, 85 different pieces of legislation govern activities in Scotland's seas. That legislation needs to be consolidated and brought up to date if we are to protect our marine wildlife and our coastal communities.

In my constituency, the biggest threat at present is the proposal to allow ship-to-ship oil transfers in the firth of Forth, and my Bill is designed to address the lack of any appropriate regulation or framework. At present, ship-to-ship oil transfers can be carried out within a harbour authority area if that harbour authority has in place an approved oil spill contingency plan that covers such activities. The underlying principle is that ship-to-ship transfers in harbour authority areas should take place only where there is a fully worked-up oil spill contingency plan, with trained personnel—and the necessary equipment for responding to a spill—close at hand.

Many hon. Members will know that my constituency of East Lothian has one of the finest coastlines in the UK. It attracts 2.5 million visitors every year, with all the obvious advantages for local communities, including the employment of up to 3,500 people in the tourist industry. The coastline stretches from Cockburnspath north to Musselburgh, and its beauty is valued by locals and visitors alike. The coastline also has nine designated bathing waters from Seton Sands down to Thornton loch, and anyone travelling on the east coast main line will see its breathtaking beauty at first hand.

The East Lothian coastline is one of outstanding natural heritage. Ninety per cent. of the coastline is classified as a Forth special protection area. Over the recess, I have collated evidence from across the constituency of the determination of my constituents to oppose the proposal. I have a petition with hundreds of signatures; I have thousands of postcards that constituents have signed and returned confirming that they wish me to oppose the proposal, which would see 7.8 million tonnes of crude oil transferred in the firth of Forth.

My constituents and I do not wish to consider the consequences of an oil spill in our beautiful waters, whether there are contingency plans in place or not. In recent years, public money has delivered major improvements to the coastline and beaches of East

Lothian, and that investment should never be put at risk. Hon. Members might ask whether there is a genuine risk from the proposal for ship-to-ship transfer of oil. The answer is absolutely yes. The potential hazards include oil spills, vessel collision, fire and explosion, environmental emissions, damage to coastal and sea bed habitats, damage to tourism and damage to fishing. It is an accident waiting to happen. I, for one, do not want to trust and hope that, if such an oil spill were to occur in the firth of Forth, the contingency plans would preserve the integrity of the coastline and nature conservation sites. I am introducing this ten-minute Bill because I remain of the view that the current legislation has the balance right between protecting the environment and allowing the port authorities to facilitate commercial and economic activity.

There is some provision to regulate and, if necessary, prevent ship-to-ship transfers in the Forth. Those functions are vested in Forth Ports, which has power under byelaws enacted under local legislation to regulate whether vessels can anchor to transfer cargo. As a competent port authority under the Conservation (Natural Habitats, &c.) Regulations 1994, Forth Ports must have regard to the requirements of the habitats directive. The amendments to the habitats regulations in Scotland are very good, and adequate to deal with the European wildlife sites dimension of projects in the Forth. They were passed with all-party support in the Scottish Parliament. The detailed process for consent to plans and projects set out by the current regulations does not deal specifically with, or apply to, oil transfers, however. Unlike other types of port development, programmes of ship-to-ship transfers are not subject to environmental impact assessment regulations either in Scotland or in the rest of the UK, regardless of their frequency or volume.

The missing link in the legislative framework is a sensible set of UK regulations controlling ship-to-ship transfers in UK waters. The absence of clear national consenting mechanisms for marine plans or projects and for ship-to-ship cargo transfers in particular has led the firth of Forth to a highly unsatisfactory default position. The consent for a major oil handling project must be determined by the board of directors of a public limited company, the share price of which seems inevitably to be affected by that decision. That seems an invidious position for Forth Ports plc. Meanwhile, UK and Scottish Ministers have no power of veto. Ship-to-ship transfer as an activity slips through the net and the public are denied a voice.

No wonder there exists a widely and strongly held perception of a conflict of interest on the part of statutory harbour authorities when they are also by nature public limited companies with duties to their shareholders. Surely this is at odds with the need for impartial regulation and with the spirit, if not the letter, of the habitats regulations.

In East Lothian, for instance, there is a perception of a reluctance on the part of the harbour authority to address the legitimate concerns of local communities and others, and that has resulted in an unfortunate amount of mistrust and ill feeling. The mistrust is exacerbated by the difficulty experienced by members of the public in gaining access to environmental information gathered by the harbour authority. This fuels accusations of secrecy and questions the impartiality of the harbour authority. How can a body that may benefit financially from granting consent be seen to regulate the activity transparently and without prejudice? These issues could be addressed by incorporating into new regulations for ship-to-ship transfers a clear process to be followed by harbour authorities. The authority to consider that falls wholly within Westminster.

The Bill seeks, by regulating the activities that can be undertaken in UK ports, the provision for transfers to be prohibited or consented to only subject to strict conditions. Regulation of the activities that can be undertaken in UK ports under the Bill should avoid the potential conflicts of interest for bodies that currently act both as the competent authorities and the financial beneficiaries of such transfers. The Bill would ensure that harbour authorities are more clearly accountable to the public for their environmental responsibilities and in carrying out their statutory functions. The decision-making process in relation to ports' development is complex and often less than transparent. There must be scope for simplification and regulation in particular if the habitats directive does not fully meet the requirement to protect our waters from the impact of such proposals.

A common approach from the Government and the devolved Administration to work with the industry and other interested parties to simplify and rationalise the procedures is now required. Successive Governments have sought to separate regulation from those with a commercial interest in consents. For example, the water industry is regulated by the Scottish Environment Protection Agency and the forestry industry by the Forestry Commission, and town and country planning proposals in which the local planning authority stands to benefit may be called in by Ministers.

The Bill seeks to ensure that clear habitats directive compliant procedures are followed by harbour authorities in consenting to ship-to-ship proposals and would give call-in power to Ministers to avoid apparent conflicts of interests.

*Question put and agreed to.*

Bill ordered to be brought in by Anne Moffat, Jim Sheridan, Mr. Jim McGovern, Mr. David Hamilton, Mr. John MacDougall, Mr. David Anderson, Mark Lazarowicz, Mr. Jim Devine, Dr. Gavin Strang and Nigel Griffiths.

PORTS (REGULATION)

Anne Moffat accordingly presented a Bill to regulate the activities which can be undertaken in UK ports; to place certain duties on harbour authorities; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 19 October, and to be printed [Bill 154].

## Defence Procurement

*Motion made, and Question proposed,* That this House do now adjourn.—*[Mr. Michael Foster.]*

5.12 pm

**The Minister for the Armed Forces (Mr. Bob Ainsworth):** I am pleased to open this debate—my first as the Minister of State for the Armed Forces. It is a fantastic privilege to be given the opportunity to associate with, and to serve, the men and women who defend our nation. During my now three months in office, I have met many of them both at home and abroad, including in Iraq and Afghanistan, and I have heard first hand their views about their equipment and the way in which it is supported. Everywhere that I have been, I have been immensely impressed and inspired by their dedication and bravery and by the professionalism of our personnel. Although the debate is about procurement, the House need not be told that our equipment is only as good as the people who use it and that those people still make the difference. We are very fortunate to have the people that we have in our armed forces.

**Bill Wiggin** (Leominster) (Con): Will the Minister give way?

**Mr. Ainsworth:** If the hon. Gentleman will give me just a moment. I have not spoken in the House for four years given the position that I had and I have been speaking for about 40 seconds, but he is trying to intervene already. If he allows me a bit of scope, I will give way to one or two Members in a little while.

The House knows that direct responsibility for defence acquisition lies with my noble Friend the Minister for Defence Equipment and Support and I should like to pay tribute to the tremendous commitment that he has brought to the role. In December 2005, he launched the defence industrial strategy. It has been a success. For the first time, it provides a framework for how the Government and industry together should meet the needs of the front line.

The strategy set a challenge to the Ministry of Defence. It has driven change within the Department, not least through the merger of the Defence Logistics Organisation and the Defence Procurement Agency into Defence Equipment and Support earlier this year. That new organisation provides a unified approach to our procurement and support functions. It will deliver better value and greater effectiveness for the £16 billion that we spend each year. The defence industrial strategy also set industry a challenge to transform itself. A good example of how industry is rising to that challenge is shown in VT and BAE Systems; they are forming a joint venture for future shipbuilding and support.

**Mr. Ian Davidson** (Glasgow, South-West) (Lab/Co-op): Will the Minister give way on that point?

**Mr. Ainsworth:** I will give way in a moment, perhaps even to my hon. Friend.

I have seen the effect that the strategy has had further down the supply network. NP Aerospace in my constituency in Coventry puts together the Mastiff-protected vehicle and supplies life-saving body armour for our troops. We ask a lot from industry, particularly from small firms such as NP Aerospace. We want them to embrace change, and to be innovative and flexible. In turn, we need to understand the problems that they face, to be as clear as possible about what we need, to provide reassurance and to understand their concerns. When, by taking risks, they deliver on our requirements, we must reward them for taking those risks.

**Bill Wiggin:** What discussions has the Minister had with the Department for Environment, Food and Rural Affairs about increasing from just 3 per cent. the amount of British lamb that our forces are allowed to eat? Is he not aware that lamb prices are at rock bottom because of Government policy on foot and mouth and the crisis that it created? Introducing more British lamb through the procurement process would be good for the taxpayer, good for the farmers on whose land our troops train and, most of all, good for our troops, because British lamb is so delicious.

**Mr. Ainsworth:** The hon. Gentleman raises a fair point. I have not looked into that—there were one or two other things going on over the summer—but I will do so. I will talk about it and see whether we ought to address that point.

**Mr. Davidson** *rose—*

**Mr. Ainsworth:** I give way to my hon. Friend.

**Mr. Davidson:** I have waited four years and five minutes to intervene on the Minister, and I thank him for giving way. May I say how grateful my constituency and I are for the award of the aircraft carrier some months ago? However, I want him to clarify what exactly he has done for me recently, because it is rumoured that the MARS—military afloat reach and sustainability—contract will be offered for award outside the United Kingdom through the *Official Journal of the European Union.* That would allow external suppliers to bid, and it would disrupt the relationship that has been agreed with industry on shipbuilding. It would also destroy the relationship with the supply chain that the defence industrial strategy has been so keen to build. In the second intervention that the Minister has taken in four years, will he agree to reverse Government policy on that matter?

**Mr. Ainsworth:** My hon. Friend knows that he and I have had one or two conversations over the past four years, even if they have not taken place at the Dispatch Box. I have tried to do him many favours, but he has never really appreciated what I have tried to do for him over that period. There is no thanks from him; he gets an aircraft carrier, and within a couple of months he is complaining that he wants something else. The MARS project is still in the development stage. It is too early to make the accusations that he makes. He knows that we are embarking on a huge shipbuilding project in the coming years, and his constituency will be heavily involved in that. MARS acquisition has to fit into that and into the thinking. My noble Friend the Minister for Defence Equipment and Support will look into the matter and will be prepared to talk to people, possibly even to my hon. Friend, about that proposal.

**Mr. Lindsay Hoyle** (Chorley) (Lab): My right hon. Friend is generous in accepting so many interventions early in his speech. I thank him for his commitment on the two aircraft carriers. We must thank the Government for that commitment, as it involves a huge amount of money, and it protects many yards. However, will he ensure that that is the biggest shipbuilding programme that we have seen, that help and assistance will be available, and that some of the work will go to the Vickers yard at Barrow? It is important that the BAE yard at Barrow receives a share of the work, and does not rely purely on money. Of course, we must touch on our favourite subject—what will operate from these two carriers, and the need to ensure that the North West Aerospace Alliance will benefit.

**Mr. Ainsworth:** The aim of the defence industrial strategy is to look not only at the needs of our people but at the capability of our industry, and to do so strategically. I do not think that my hon. Friend need have any doubts about our desire to do exactly what he would want us to do, but we must look at how that fits in with the way in which we make progress and maintain capability and the skills base in the UK, as well as—and this is of primary importance—delivering first-class equipment to our people at the front. That is exactly what we are about and it is what we are trying to achieve.

**Mr. David Laws** (Yeovil) (LD): As the Minister appears to be soliciting thanks from some of us, may I thank him and Lord Drayson, who has ministerial responsibility for procurement, for coming to Yeovil a year ago and signing the first partnering agreement for the Future Lynx helicopter? Will he confirm that Future Lynx and the partnering concept will remain fundamental to his Department's strategy in future?

**Mr. Ainsworth:** We are still working on the proposals, as the hon. Gentleman knows, and I hope that we can confirm exactly where we are with Future Lynx and the progress that has been made. I will keep the House informed about that over the coming months.

**Dr. Ian Gibson** (Norwich, North) (Lab) *rose—*

**Mr. Ainsworth:** May I make some progress, having given way a few times?

Effective procurement needs strong front-line input, and I am pleased that military personnel, including those with recent operational experience, have a strong say in decisions on future and in-service equipment at all levels. We must listen to people who are on operations. During my visits, I heard a great deal of praise for the improvements in combat clothing, personal equipment and weapons such as the Javelin anti-armour missile. The new protected personnel vehicles such as Bulldog and Mastiff are particularly welcomed, as is the provision of Apache attack helicopters. As my right hon. Friend the Prime Minister announced yesterday in the House, we are going to place an order for an additional 140 Mastiff patrol vehicles. We are getting those improvements right, because we take the views of our people into account in deciding what to buy, using their knowledge to make sure that they get what they need, whether it is 360° vision for Mastiff, or fitting a machine gun to the side of a Lynx helicopter. While technology is a big help—and we must always exploit it—it does not, and it never will, have all the answers. It takes the brains of our people to give the equipment the extra edge. We must make absolutely certain that we input that knowledge at every stage in the procurement process.

**Ann Winterton** (Congleton) (Con): The Minister will know that yesterday I welcomed the extra Mastiffs, which are extremely popular vehicles. If someone is on patrol, they would rather go out in one of those than in anything else. Now that that announcement has been made, when will the order be placed, what is the delivery date, and is the Ministry of Defence considering medium protected patrol vehicles as well, which are very much needed, particularly in Afghanistan? Will he give the House some information on that?

**Mr. Ainsworth:** Later in my speech, I shall talk about the vehicles that we use. The hon. Lady is right to say that Mastiff is held in high regard by the people out in Afghanistan and Iraq, but it is not always the vehicle for the job. I am sure that she appreciates that there must be a range of vehicles suitable for all occasions and available for commanders to use as and when they need to do so. The additional Mastiffs, with those that we are already bringing on board, will help in that regard.

**Ann Winterton:** Will the right hon. Gentleman give way again?

**Mr. Ainsworth:** I am coming to the subject of vehicles, and I am sure that the hon. Lady will want to intervene then.

Nowhere is providing equipment for force protection more important than on the front line. Since the start of military operations in Iraq and Afghanistan, we have approved more than £1 billion for force protection equipment, from new helmets to better surveillance equipment and electronic counter-measures. Osprey body armour and the heavier Kestrel armour for more exposed tasks have helped to save lives in both Iraq and Afghanistan, but let me make the point that I have just made to the hon. Lady. I know that many in the House understand this, but others do not. Equipment alone can never provide full protection. Tactics and training are every bit as important as protective equipment in keeping our people alive and safe.

A key part of force protection is providing the right battlefield mobility. In March, my right hon. Friend the Secretary of State for Defence announced that 14 more support helicopters are to be made available for operational theatres—eight Chinook mark 3 and six Merlins. We expect all six Merlins to be operational next year.

**Dr. Gibson:** Will the Minister give way?

**Mr. Ainsworth:** I shall give way again in a while, but may I make a little more progress?

Much of the force protection equipment has been acquired through the urgent operational requirement—the UOR—process. This provides equipment to meet

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new and emerging threats, and for the particular environmental conditions of an operational theatre. Since 2003, we have spent more than £2 billion on UORs. All this money from the reserve is additional to the defence budget. One of the key strengths of the UOR process is its speed. For example, we were able to get Mastiff into service within 23 weeks of the decision to proceed.

Other UORs include the new mobility weapons mounted installation kit—or M-WMIK—vehicles, being provided by Devonport Management Ltd, which will enter service early next year. The existing WMIK Land Rover has been a big success. The new vehicles, based on a new SUPACAT chassis, will be better still. They will have a longer range, more firepower, greater mobility and higher speed.

I give way to my hon. Friend the Member for Norwich, North (Dr. Gibson).

**Dr. Gibson:** I thank my right hon. Friend for giving way. Although I have expressed support for the capital investment and for paying the troops fighting the causes in Iraq and Afghanistan, with reference to the estimates published in spring and winter, does he consider that there is proper parliamentary scrutiny of and debate about that investment? Such debate could mean that more, rather than less, goes in, so one should not be frightened of an open debate about the matter. That would be welcome. Select Committees have been frustrated in the past about getting into the details of equipment such as he is describing. Welcome as what he says is, an overall picture would be much more gratifying.

**Mr. Ainsworth:** I am not aware of a problem with the Defence Committee. I am new in the job and so far I have spoken to the Committee only about operations in Iraq. Procurement is not my direct responsibility, but that of my noble Friend the Minister for Defence Equipment and Support. The Defence Committee appears to do a thorough job. I hope members of the Committee will have the input and the opportunities that my hon. Friend expects them to have, in order to help us to get things right in the way that he describes.

**Mr. Crispin Blunt** (Reigate) (Con): I belatedly congratulate the Minister on his appointment and on this debut. He made it clear that all the UOR funding is coming from the reserve, but when he talked about the protective equipment he said that more than £1 billion had been spent, much of it through the UOR scheme. The implication is that that which has not been acquired through the UOR scheme is coming out of the defence budget. Will he give us the figures? If he does not have them to hand, will he write to me?

**Mr. Ainsworth:** I have given the hon. Gentleman the figures on UORs. He understands the process, because he is well versed in it and he follows defence issues. Of course, some force protection equipment has been provided on an ongoing basis through the defence budget. We are fighting in two theatres that are difficult not only because of the enemy and the tactics that need to be deployed to deal with it, but because of the weather. That obviously throws up issues that have not been anticipated, not because of any weakness in the defence procurement methodology but because the threat changes and the tactics change. On such occasions, the UOR process is ideal and essential so that we can manoeuvre and get more money into the system to meet the changing threat. That is where the two streams of money come together. Of course, some force protection is paid for through the core budget and a lot of it is provided, as and when it is needed, through the UOR process.

Before I move off the issue of vehicles, I shall reply to the hon. Member for Congleton (Ann Winterton). We have set aside £100 million for the 140 extra Mastiffs announced by the Prime Minister. I anticipate that they will be deployed on operations within the next 18 months, but I cannot provide more concrete detail than that. We are still in the process of providing the vehicles that we are procuring. These vehicles will add to the end of the production line, and we obviously want to try to get them into theatre as quickly as possible.

**Dr. Liam Fox** (Woodspring) (Con): Just for clarification, the Minister says that money has been set aside, but has that been done as a UOR or as part of the core budget?

**Mr. Ainsworth:** My right hon. Friend the Prime Minister is clear that this is money that we have set aside within the defence budget. [HON. MEMBERS: "Ah."] Well, if hon. Members had listened, they would have heard the Prime Minister say that clearly. The original Mastiff requirement was a UOR in response to the need for a new protective vehicle. We have decided to provide this ongoing, additional tranche and we are able to provide it out of the defence budget.

We are improving our surveillance capability through, for example, our acquisition of the Desert Hawk unmanned air vehicle, which is now operational. Such vehicles weigh less than 7 lb and provide imagery from high above the battlefield, which is making them popular with those who operate them. One individual from 57 Battery, Royal Artillery has said:

> "This is a unique piece of equipment which gives commanders the ability to see what is going on behind hills and buildings. That can change the course of a battle."

Desert Hawk is complementing the larger Hermes 450 tactical unmanned aerial vehicle, which has recently begun operational flying, and the Reaper long-range, long-endurance unmanned aerial vehicle. The first UK Reaper arrived in theatre in Afghanistan a few days ago and its first operational mission will take place very soon. Despite the complexities, this capability has been achieved in only 15 months, thanks in no small part to co-operation from the US air force.

These unmanned aerial vehicles join our existing assets such as Nimrod in sending real-time images routinely to commanders on the ground and will be used for a variety of tasks, including force protection, route clearance, base security and target tracking.

**Mr. Michael Jack** (Fylde) (Con): Will the Minister confirm that the initial deployment of BAE Systems' high-endurance rapid technology insertion system—HERTI—has proved effective in demonstrating a UK-produced unmanned air vehicle capability?

**Mr. Ainsworth:** That is true, but we need a range of vehicles to meet the requirements, and the demand from the front line must always come first. Obviously, where there is British-provided equipment with the right capability at the right price, we ought to take that approach, and that is what the defence industrial strategy seeks to achieve.

Current operations are our priority, but we must also be alive to emerging and future threats and plan to meet them. Tomorrow's conflicts may be very different to those we face today. Looking back 10 years, our prime focus was on enforcing a fragile peace in the Balkans. Today we are committed in the dust and heat of Iraq and Afghanistan—10 years from now, who knows? However, taking new equipment from the drawing board into service can take many years, so we need to be thinking now about challenges we may face in 10 years or more and the equipment our forces will need to tackle those challenges.

In July, my right hon. Friend the Prime Minister announced the spending settlement for defence. At the same time, we announced our intention to proceed with the purchase of two new large—65,000-tonne—aircraft carriers for the Royal Navy. Those ships have three times the displacement of our current carriers. They will bring a step change in our maritime capability and contribute to the biggest naval shipbuilding programme for over 20 years. The new carriers, to be named HMS Queen Elizabeth and HMS Prince of Wales, will be the largest vessels ever operated by the Royal Navy. They are expected to enter service in 2014 and 2016, and will be the most capable carrier force outside the USA, enabling us to deliver increased strategic power and influence around the world at a time and place of our choosing.

The two biggest companies involved in the project—VT and BAE Systems—are to form a joint venture for future shipbuilding and support, to improve efficiency. The order for the carriers will be placed with an alliance of companies. The construction of the ships in blocks at shipyards in Govan, Barrow, Portsmouth and Rosyth is expected to create in the region of 10,000 jobs.

**Dr. Julian Lewis** (New Forest, East) (Con): May I say to the Minister that we warmly welcome the announcement of the carriers? However, I remind him that the carriers were originally posited in the strategic defence review in 1998. The deal done with the Navy was that the total of frigates and destroyers would go down from 35 to 32. Later, as he knows, the number went down to 25, and it is now being suggested that it might go down further to 19 or 20. Will he confirm that the Navy is not being required to pay yet another price in terms of frigates and destroyers for the long-awaited carrier order?

**Mr. Ainsworth:** In the years that the party that the hon. Gentleman supports was in power there were massive cuts of 36,000 Army personnel and a huge reduction in defence spending. If he is saying that the shipbuilding programme for the new carriers is not big enough, and that is to be taken seriously, he needs to tell us what his own party's programme is and what his party's spending would be. How much more would he spend on the Navy and the Army? I look forward to hearing him give those commitments. He sits on the Front Bench, not the Back Benches, and he cannot go around making such comments without saying what the alternative would be.

**Dr. Lewis:** I shall tell the Minister very clearly what our policy is. Either we will fund new commitments that we enter into, such as going into wars, or we will not enter into those commitments. It is his Government who in 1998 set out the combination of 32 frigates and destroyers and two aircraft carriers. They then reduced that to 25 frigates and destroyers and two aircraft carriers. All I am asking is whether the Minister plans to reduce the figure further to 19 or 20 frigates and destroyers and two aircraft carriers. It is a simple yes or no question.

**Mr. Ainsworth:** We have set a course for the biggest shipbuilding programme in history, providing the Navy with world capability for the future, and I note that the hon. Gentleman did not specify whether his party would spend more or less money.

**Mr. Davidson:** Does my right hon. Friend acknowledge that the work would not come to east and west Scotland if that country was not still part of the United Kingdom? An independent Scotland would not build aircraft carriers.

What steps is my right hon. Friend taking to ensure that not only the main blocks are built here but that, as far as possible, the sub-contract work and the supply chain is focused on the United Kingdom? Will we use the opportunities that the enormous order presents to maximise the training of local people? In my constituency, we would greatly regret it if the work, while going to British companies, had to be done by imported labour because we could not train our local labour. Will he ensure that the appropriate steps are taken?

**Mr. Ainsworth:** I do not know what more I can say to my hon. Friend about our strategy and what we are trying to achieve to maintain the industrial and skills base in the country. That remains our desire and intention and we want to do everything possible to achieve it.

I do not know who provoked my hon. Friend into making the point about Scotland, because there are no Scottish National party Members of Parliament present at the moment. However, he is right that such provision of equipment for the British Navy would not happen if the SNP got its way and managed to split the United Kingdom into its constituent parts.

The carriers that we have ordered will be escorted by the new Type 45 destroyer. I visited the first of those—HMS Daring—during its sea trials off the west coast of Scotland and was immensely impressed by the power of the ship. The second of class—Dauntless—was launched in January this year and the third, Diamond, is due to be launched in November.

The Type 45 will be one of the most capable air defence destroyers in the world, with the Samson radar enabling it to provide far more effective air defence for expeditionary task group operations. Higher engineering

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standards will reduce maintenance time and improve availability, so that fewer ships are required to perform the same number of tasks.

The first of our new class of Astute nuclear attack submarines was launched in June. Armed with tactical Tomahawk cruise missiles and Spearfish torpedoes, it will be by far the most potent British attack submarine ever built. HMS Astute will enter service in 2009. Ambush and Artful, which are under construction at Barrow, will follow in 2010 and 2012. In May, we also signed an initial contract for the fourth boat, Audacious.

**Bob Russell** (Colchester) (LD): Will the Minister give way?

**Mr. Ainsworth:** Let me make a little progress. I have given way a lot and I do not want to hog the debate.

Our largest future programme for the Army is the future rapid effect system—FRES. It will consist of a family of vehicles that have high levels of protection but which are capable of being transported by air, thus allowing troops to deploy rapidly across the globe. The first variant will be the utility vehicle, and we announced the acquisition strategy at the end of last year. Since then, we have conducted trials of potential vehicle designs and we will announce the results next month. Last week, my noble Friend Lord Drayson announced that a team from Thales UK and Boeing had been selected almost two months ahead of schedule as the system of systems integrator—SOSI. That represents excellent progress.

**Mr. Blunt:** Will the Minister give way?

**Mr. Ainsworth:** I shall allow the hon. Gentleman to come in soon, but I want to make a little more progress.

The delivery of Typhoon to the RAF continues. Forty-six are now in service and, with the Tornado F3, the aircraft shares responsibility for the UK quick reaction alert task. It can respond in minutes to any unauthorised entry into UK airspace or assist aircraft in distress. The recent decision of the Saudi Government to buy 72 Typhoons is good news. It is a great boost for British industry and for British jobs.

In July, my right hon. Friend the Prime Minister announced that the Defence Export Services Organisation would be transferring responsibility for defence trade promotion to UK Trade and Investment. A cross-government study is looking into how best to implement that and will be complete by the end of the year. We will of course keep the House informed. That change of responsibility is to ensure that we can provide more effective and coherent support across all our exports. There will be no lessening of our commitment to support the defence industry. When I visited the defence systems and equipment international exhibition at Docklands last month I was enormously impressed by the depth and breadth of our export effort, particularly from our less well known small and medium-sized companies. There will be no lessening of our support for our defence industry export effort.

**Dr. Fox:** What on earth is the logic of abolishing DESO and then having a cross-departmental inquiry into how we might best support defence exports? Why not do things the other way round? Surely it makes sense to have the debate about how best to proceed before a decision is taken. What has been done sounds like madness to the rest of the House.

**Mr. Ainsworth:** The hon. Gentleman needs to recognise that we need to join up our export effort in Great Britain plc and ensure that it is strong not just in defence but across the piece. That is our intention. As I have said, it is not our intention to pull away from, or lessen our support for, our defence industries and their export efforts.

**Several hon. Members** *rose—*

**Mr. Ainsworth:** I have given way on the point and will not give way again.

Our armed forces are among the most capable in the world. Improvements in technology, innovation, sustained growth in defence spending, and regular adjustments to our doctrine, structures and training mean that they are well able to meet the tasks that face them. There have been difficulties with some aspects of our procurement. Developing and producing high-quality, battle-winning equipment at the forefront of technology for use in demanding but unspecified operational conditions many years into the future is never going to be easy. When things go wrong, we must acknowledge that and strive to put them right.

Fundamentally, however, the equipment that our forces now have and the way that it is supported is a success story. We can perform far more tasks at greater range and with greater precision than before. That is not just my view; it is the opinion that I have heard from commanders in theatre and the opinion of the joint chiefs of staff. As I said at the outset, we owe the men and women of our armed forces a great debt. The Government are committed to ensuring that they continue to receive the equipment and the support that they need for operational success. We will do that now and in the future.

5.48 pm

**Dr. Liam Fox** (Woodspring) (Con): I begin by associating myself with the Minister's comments about our armed forces, especially those who have fallen in the conflicts in Iraq and Afghanistan. The sacrifices that they made should focus our minds on the issues before us. It is worth reminding ourselves, at the beginning of this debate on equipment, that without the professionalism, bravery and commitment of our armed forces, the whole debate would be pointless. Indeed, there are many who make a false distinction between procurement and welfare issues. Procurement is a welfare issue. For our servicemen and women and their families, there are few issues as important as whether they have the equipment to maximise their safety and ensure the success of the tasks that they undertake in our name.

Today, we want to look at what the comprehensive spending review settlement will mean in the years ahead, at the Government's record to date, at the implications for the big procurement projects and at

project management. As a share of total Government spending, defence expenditure has fallen from 7.8 per cent. in 1998 to 6.1 per cent. in 2006, despite the fact that we are involved in two wars—in Iraq and Afghanistan—with the inevitable reduction in the life expectancy of much of the equipment involved. Funding from the Treasury reserve for urgent operational requirements—UORs—does nothing to diminish an ever-increasing liability that must be met, in terms of equipment, at some point. In that context, we must look at Ministers' boasts that they will achieve a 1.5 per cent. annual real-terms increase.

The last settlement that was trumpeted in similar terms to this one resulted in three infantry battalions being cut and the loss of three destroyers and three frigates. What are the likely casualties this time round? If the rumours and leaks circulating in the Ministry of Defence are anything to go by, we could lose a further five frigates and destroyers and two submarines, up to 6,000 personnel from the Army and two squadrons of Tornado GR4 attack aircraft, cutting the RAF's front-line squadrons from eight to six. Perhaps the Ministers will take the opportunity of this debate to snuff out those rumours.

My hon. Friend the Member for New Forest, East (Dr. Lewis) made a point about the Navy earlier. This is not a question of a change in our assumptions about the Navy's numbers. The Government presented the strategic defence review, in which they said that they required two carriers and 32 destroyers and frigates. When the Government's security Minister was the First Sea Lord, he said that we could not get by with fewer than 30 destroyers and frigates. If the Minister thinks today that we can get by with a lower number, let him justify that to the House. We want to know what has changed in the strategic assumptions that would allow that to happen. The argument that we are normally given is that we do not require platform numbers because we have increased capabilities, but that argument cannot be deployed indefinitely. We cannot keep cutting platform numbers while saying, "Because they can do more, we require fewer of them." Ships cannot be in two places at once. If the Government intend to make further cuts to the Navy, they must explain to the House, to the Navy and to the country what strategic changes have taken place that will allow them to move from the plans that they brought to the House of Commons in recent years.

All these elements occur against the Government's poor record of managing the defence budget. In September this year, the Public Accounts Committee outlined the Government's performance. In 2005-06, 19 of the major equipment projects, excluding the Typhoon aircraft, were forecast to cost £27 billion, some 11 per cent. over the approved budget, and had been delayed by a further 33 months. Indeed, the Department's performance against its key user requirements is worsening, with only 17 projects being expected to achieve all requirements—one fewer than in 2004-05.

As usual with anything run by the current Prime Minister, we have to read the small print to understand the true picture. Some of the procurement reforms of recent years might have helped to stop procurement costs spiralling entirely out of control, but substantial capabilities have been sacrificed to achieve that. The number of Type 45 destroyers being procured has fallen from 12 to eight, and possibly as few as six. There have been reductions in the number of guided multiple rocket launch systems, Brimstone missiles and recovery vehicles being procured.

The Public Accounts Committee reported that the MOD had previously said that it had carried out a departmental review that came up with 44 ways to reduce the forecast cost of these projects by £781 million, or 3 per cent. of the total. Yet, on closer examination, it was discovered that £91 million represented a rebate and exemption from Her Majesty's Revenue and Customs, and a further £448 million did not represent real savings at all, as the Department transferred the expenditure to other budgets.

The real effect of this mismanagement has been on the operational efficiency and safety of our armed forces. The most appalling indictment in the life of this entire Government has been that relating to the death of Sergeant Roberts in Iraq as a direct result of a Government decision not to procure sufficient quantities of enhanced body armour, purely for political reasons. The assistant coroner said that

"to send soldiers into a combat zone without the appropriate basic equipment is, in my view, unforgivable and inexcusable, and represents a breach of trust that the soldiers have in those who govern them."

No more damning words have been said about any Government.

Then there was the utterly inexcusable and, in my view, inexplicable decision in 2004 to cut the FRC helicopter budget by some £1.4 billion. At a time when our troops are facing a shortage of lift capacity in both Iraq and Afghanistan, that decision was astonishingly complacent, if not downright incompetent. The consequence has been a chronic shortage of helicopters in both theatres and, although we welcome the procurement of the Merlins and the eventual conversion of the Chinooks, that has all happened far too late in the day, as my colleagues who have had experience in Iraq and Afghanistan will attest.

**Ann Winterton**: My hon. Friend is describing the procurement of helicopters, and the implied costs involved. Is it worth considering the fact that one can often rent helicopters at a far lower price and therefore get far more of them to use in theatre? That would allow us to provide them much more quickly than the very expensive procurement process does.

**Dr. Fox:** The aim must always be to give our troops the equipment that they require, when they need it. However, we must also take into account the fact that many of the helicopters that are available commercially might not carry the defensive aids and equipment that we take for granted in some of the helicopters that we procure. If the necessary protection could be guaranteed, it would make perfect sense to get them as quickly and cheaply as possible. It is not only right for the Government to do that; it is their duty to do so wherever possible.

**Mr. Hoyle**: The other point that the hon. Gentleman ought to make is that some members of the coalition in Afghanistan have not been playing their part. They should have been supporting our troops much better, and the use of their equipment should have been

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offered, rather than our having to scrounge around. That is the reality: we have been let down by our partners. Does the hon. Gentleman not agree that they should take up some of the weight that has been placed on our shoulders?

**Dr. Fox:** It is not often that I am happy to have words put into my mouth, especially by Members on the other side of the House, but the hon. Gentleman is absolutely correct. Some of our NATO partners have to understand that being in an alliance means having to do the things that they do not want to do, as well as doing the things that they do want to do. In Afghanistan in particular, the heroic efforts of the Canadians and the Danes, and to a certain extent the Dutch, alongside ourselves and the United States, are an example to the other members of NATO. Security is not optional. If they want to enjoy global security, there is a price to be paid.

I have criticised the MOD's management of the defence budget , but it should not shoulder the entire blame. The just-in-time approach to procurement is entirely Treasury led. The Minister and I have served on opposite sides on a Finance Bill and we both know exactly how the Treasury operates in the United Kingdom. The Treasury approach has resulted in an increasingly difficult procurement environment. Given the strategic uncertainty and constantly evolving operational environment, it is extremely important that we give personnel the flexibility of equipment choices to enable them to perform their tasks successfully. Despite Treasury resistance, UORs have proved vital, which is why I believe that Members on both sides of the House will find it extremely disappointing that *Defence News* last month stated that

"industry sources say that Treasury officials appear to be tightening up the approval process and seeking to ensure that only truly urgently needed equipment is obtained from UORs."

Indeed, sources say that Treasury officials might suspect that not everything ordered via UOR was really urgent. I would be grateful if the Minister, in winding up the debate, dealt with this question; it is a fundamental issue, not simply a theoretical one.

The hon. Member for Norwich, North (Dr. Gibson), who is no longer in his place, made an important point about the need for better parliamentary scrutiny of major procurement programmes. That need not impede the MOD; in fact, it could eventually help to reduce cost and time overruns. We in the House of Commons simply do not have sufficient access to the details of equipment programmes and do not know how projects will fit into the defence budget in the years ahead. It is difficult not only for MPs but for the military to judge the Government's plans sufficiently.

The Prime Minister says that he wants new politics, so perhaps the Minister will assure Parliament that Members will have a chance to look at the 10-year funding forecast for major procurement projects. For example, in the years of the comprehensive spending review and beyond, we would like to see how much is allocated in each year for spending on aircraft carriers, the future rapid effect system, the replacement of the nuclear deterrent or the defence training review. Unless we know that, we can make no sense of whether the Government's proposed allocations are realistic or simply a wish list. The House operates in the dark, which other elected assemblies simply would not accept.

Although we have welcomed the carrier announcement, a number of concerns and unresolved issues remain. The in-service dates are now 2014 and 2016 and the cost will be £3.9 billion, but in which years will the costs be borne? Will the Minister update us on contract negotiations?

Some progress has been made with FRES, but medium-weight armoured vehicle procurement has been badly handled, and we should be much further ahead than we are. Nine years after the Government announced their intention to procure new vehicles, we have not completely reached main gate, which is unacceptable. As the Defence Committee said:

"This is a sorry story of indecision, constantly changing requirements and delay. We are concerned that the FRES requirement may simply be unachievable without a major technical breakthrough. The tension between the survivability and deployability is particularly acute. Satisfying both requirements may prove impossible. It is high time the MoD decided where its priorities lay".

Despite that, we still get procrastination. Similarly, with the replacement of our nuclear deterrent and the defence training review, we need to know where the potential costs will manifest themselves in the actual budget; otherwise we can make no sense of any of the Minister's promises today.

The fact that our procurement process too often produces long delays and budgetary overruns is hardly a bone of contention. The consequences are that we often pay too much for things that are almost out of date by the time we get them. That makes no sense. It provides neither value for money for the taxpayer, nor a predictable equipment flow for the armed forces. However, it would be churlish not to acknowledge the efforts made to improve the situation, not least by the noble Lord Drayson. Whatever its merits, the defence industrial strategy needs to be refined further. We need a more rigorous assessment of what constitutes sovereign capability and whether we are willing fully to support it through our economic and procurement policies. At the same time, we need to be frank about where we are beginning projects that are either duplicating work undertaken elsewhere or are unlikely ever to come to fruition. Better project management is essential to achieving better value for money.

We must also recognise that if we want British defence jobs to be protected—and they are a vital part of our economy, as well as an essential part of our defence infrastructures—we need to expand British defence exports. We intend to begin a consultation with our defence industries to see how a future Conservative Government might best achieve that. Stronger exports are, in the longer term, the best way to create entrepreneurship in the defence sector and secure defence jobs. That will be taken up by my Front-Bench colleague in his wind-up speech. The Minister and I have already exchanged views on it.

All these issues may sound technical, which probably explains the lack of attendance in the House today, but what might sound technical in the comfort of the House of Commons is of vital importance to the safety and well-being of our armed forces personnel and the adequate protection of our country. The difference between success and failure in any project often lies in

the detail. There is no inherent reason why there should be a difference between the parties on that issue, but the House of Commons must be given a greater role because too many of the Government's failures are having a negative impact on our armed forces and our ability properly to defend our country's interests, which is simply unacceptable.

6.6 pm

**Mr. Quentin Davies** (Grantham and Stamford) (Lab): It is a pleasure to follow the hon. Member for Woodspring (Dr. Fox), who made a good speech. He often makes good speeches on this subject, and I have no doubt about the knowledge and commitment that he and his colleagues on the Opposition Front Bench bring to defence matters. When I sat on the Conservative Benches, I often found myself agreeing with them on defence matters. However, it was always difficult to get them to live up to their rhetoric. They were continually saying, as they have said today, that the Government were not procuring enough helicopters, frigates or submarines. There is always a good case to be made for procuring things that are not procured at the moment. There is always a good case to be made for going back to some previous target for procurement of a particular type of equipment. Whenever I asked what the Conservative Front Benchers proposed to do about the problem, however, I always got the same answer that we have heard this afternoon. No, they were not committed to spending any more money. They would either reduce their commitments, or if not, they might think a bit more about it—*[Interruption.]* Does the hon. Member for Congleton (Ann Winterton) want me to give way?

**Ann Winterton:** Any simple housewife will tell the hon. Gentleman that the important thing is not what one spends, but how one spends it. The money wasted on the defence budget could have provided much more equipment. Questions have been raised about those matters, and I suggest that the hon. Gentleman do his homework before speaking on this subject.

**Mr. Davies:** I am coming on to that. As a matter of fact, Defence Equipment and Support—the new version of the Defence Procurement Agency, merged with the Defence Logistics Organisation—has an extremely good and improving record of dealing with these issues. I am afraid to say that the Conservative party, in simply saying that it can identify and reverse a lot of waste, will have no credibility unless it is prepared to be specific about how it is going to save the money. It is no good the Conservatives saying that if the commitments are too great they will cut them back, unless they are prepared to answer the question that they have never answered, as they have not answered this afternoon: what specific commitments are they going to cut in the present context? They can see the challenges that the country faces as well as Labour Members can, so which particular commitments are they going to cut? There is always a silence on that.

There is a fundamental hollowness in this matter, as in other matters at the heart of the Conservative party. I am not making a personal attack on the hon. Member for Woodspring, as this is a generalised phenomenon. It is all about the way the Conservative party has been managed and been directed. It is focused entirely on pretence and the creation of image. When it comes to the difficult and responsible task of costing tax promises or defence promises and looking at the hard questions and difficult dilemmas that real Governments face, the Conservative party shies away from it.

As I said, the Government have a fine record on defence procurement and I want to pay tribute to my Front-Bench colleagues this afternoon. I base my judgment on the findings of the Select Committee on Defence, an entirely objective body, which found that the Defence Procurement Agency achieved 100 per cent. of its targets in its last year before the merger. Those targets are rigorous; I will not go through them as I do not have time, but anyone with any background in the subject knows how extremely difficult it is to achieve those targets. Yet 100 per cent. achievement was reached, against the background of appalling cost and time overruns in the past. Some of us thought that we would never get the operation to succeed as it has.

I would also like to congratulate the Minister on the introduction of the urgent operational requirements system, which has proved splendid in practice and has resulted in Mastiffs being delivered in fewer than six months from contract to operation. Those are fine achievements and I am sorry that the Opposition were too churlish to recognise them.

**Bob Russell** *rose—*

**Mr. Davies:** I will give way once again, but I will not have time for any more interventions.

**Bob Russell:** The hon. Gentleman is clearly well informed on these matters. The Minister refused to let me intervene earlier, so perhaps the hon. Gentleman can answer my questions. Does he agree that all the engines that power Her Majesty's Royal Navy should be manufactured in this country? And will the new vessels that we have heard about all be powered by British-made engines?

**Mr. Davies:** My concern is simply to ensure that we have the equipment that our forces need in order to do the job. That is the No. 1, overriding priority. The No. 2 priority is to secure the equipment in the required form, to the required specification and at the required time, and at the lowest possible price for the taxpayer. All other considerations are tertiary at best—including, I have to say, the creation of employment in the defence industries.

We must be tough and rigorous about these matters. There are choices to be made. I have tried to give an honest answer to the hon. Gentleman's question.

**Mr. Hoyle** *rose—*

**Mr. Davies:** I will give way very briefly to my hon. Friend.

**Mr. Hoyle:** Does my hon. Friend agree that when we have the best of British jobs and are producing the best of British engines, we ought to support that?

**Mr. Davies:** It goes without saying that if that is the case, the best deal will be procured from that source.

*[Mr. Quentin Davies]*

I think it fair to identify four phases in the history of defence procurement in recent times. The standard cost-plus model was universal in the world until the 1980s, but economically it was clearly an extremely wasteful and damaging process. The defence industry had no incentive to keep its costs down, unlike any industry operating in normal market conditions. Ultimately that is very bad for an industry, because it prevents it from becoming as efficient and innovative as it should be.

We took the first steps in moving away from that model under Peter Levene, now Lord Levene, when he became chief of defence procurement. We moved to a competition-oriented model, with which we encountered great difficulties, because when major projects involve major technology risks, people are not prepared to quote a fixed price. That makes it necessary to return to a system of contractual arrangements under which much of the risk is taken by the procurer, who must do a deal at a very early stage with the supplier, and as a result it is not possible for competition to operate effectively.

We then moved to the smart procurement system, which we used until fairly recently. Its main aims were to prevent a confrontational relationship between the supplier and the purchaser, to ensure that one did not try to cheat the other, and to give an incentive for everyone with expertise and answers to bring them to the table. The insight was relevant, and there is no doubt that smart procurement has produced some great successes—along with some very difficult problems, some of which have been mentioned today. However, we have all found that it is not the whole answer, because it, too, does not allow us to benefit fully from competition. There is always a tendency to oppose the forming of an initial partnership solely with the prime contractor and favour letting in parts of the supply chain to gain the real benefit and the real ideas, and that means a diminishing of competition throughout the system.

Now we are moving to a system that was called DPA Forward, until the two agencies were merged. I think we will all be very interested to see how it works and what it consists of, but my view is that where smart procurement needs to be tweaked, modulated or reviewed, the main purpose should be to ensure that we can benefit more from competition. There are a number of problems, one of which is that there is a limited amount of competition within the frontiers of the United Kingdom. As some of my colleagues have pointed out, there is competition in shipbuilding, between companies such as Vosper Thornycroft and BAE Systems, and that is fine; but in some areas it is impossible to benefit from competition without going outside the United Kingdom.

In the United States it will almost always be possible to meet defence requirements by buying something off the shelf, but that would probably be the last contract that the buyer would ever let, because we would no longer have any capability of our own. Next time around we would be entirely dependent on an American supplier. Not only would we have no leverage in terms of price and normal commercial negotiations, but we might well find ourselves in precisely the difficulty that we have experienced with the joint strike fighter. We might not get the necessary technology, or the Americans might try to sell us something slightly sub-standard that did not involve the latest technology. We cannot put ourselves into such a position.

Unless someone has thought of a fifth route that has not occurred to me, there is only one alternative to that range of possibilities, with the difficulties that are attached to them. That is more competition within the European Union. It has been established for a long time that that would be desirable if it could be achieved, and there have been various attempts to achieve it. It is also generally recognised that the old system of joint procurement that was used for the Tornado was hopeless because it was based on the principle of juste retour, which means that every country that is part of the consortium involved must receive a proportion of procurement equivalent to the proportion of the funds that it contributed to the initial development and research costs. That was a very inefficient and anti-competitive system.

We then established OCCAR—the Organisation for Joint Armament Co-operation—a joint procurement agency based in Paris, which is another bureaucracy. I do not wish to run the agency down, for it has done some good work, but it has also experienced some problems. I do not think that the A400M, for instance, has been a brilliant success so far. That system does not strike me as ideal. It is very bureaucratic; it is not competition, or the use of markets.

We have a market—the single market—which has been outstandingly successful in every other area of economic activity that anyone cares to mention. Let me make a suggestion. I am not advocating this, because I do not know enough about it—I have not done enough of the homework to be sure that I want to advocate it—but I am sure that we ought to consider systematically an option that will no doubt shock a number of Opposition Members. I believe that we should consider simply getting rid of the special protection for the defence industry that exists in the single market legislation—I cannot remember which clause in the treaty contains it—and extend the single market, in the form of the public procurement directive, to defence procurement. We should make it the rule, not the exception, that when we have a defence procurement opportunity we entertain bids from countries throughout the European Union, on a reciprocal basis. Because of the legal and enforcement structures in the EU, everyone else would have to observe the same rules.

Of course there would be certain cases in which individual British companies thought they had lost out, but I am tempted to believe, at least on a preliminary basis—I stress that I am speaking on a preliminary basis—that we would be the net gainers. We have an enormous number of very successful businesses. Some of them are niche businesses—avionics businesses, for example—and some are producing larger platforms, but we benefit from considerable expertise. I also believe that, in practice, we are always slightly more inclined than most of our continental partners to be open-minded, liberal and in favour of open markets. In practice, we have opened our defence markets where other countries have not.

A good example in the non-war-fighting area is roll-on/roll-off ferries. Two orders for those were placed with German yards and two were placed somewhere else in the European Union, possibly in the Netherlands—I cannot remember. There was probably some agitation among Scottish colleagues of mine when that happened, but so far it has been a one-way street.

As far as I know, no equivalent of the Defence Procurement Agency—or Defence Equipment and Support, as it is now called—or of the Ministry of Defence in any of our EU or NATO partners has placed orders for equipment for military purposes, let alone war-fighting equipment, in this country, except when no company in that country could provide the equipment. Thus there has been no competition at all in that direction, although we have engaged in some competition in procuring from the EU. That is a foolish situation in which to be—or, at least, it would be foolish of us to resist the idea of opening up the market completely, given the assurances provided by the treaty, the legislation, the European Court of Justice and the European Commission that such a change would be enforceable and that there would be a genuinely free market in defence equipment.

Let me make my final point, in the space of one minute—

**Mr. Hoyle:** Will my hon. Friend give way?

**Mr. Davies:** I cannot, because of the time. I hope that my hon. Friend will forgive me.

This is a very important matter. As has rightly been said by those on both Front Benches today, lives are at stake. If we can save money in defence procurement, we shall be able to buy more and better kit, we may be able to provide more training, and we shall be able to buy all sorts of support that our military personnel not only deserve but desperately need. Therefore, the overriding obligation in defence procurement is to ensure that we are being as efficient as possible, and that we do not get carried away by simple lobbying by defence suppliers to serve their own individual ends. The purpose of the operation is to provide what our military needs at the lowest price, to enable us to procure more. More competition is the way forward.

6.20 pm

**Nick Harvey** (North Devon) (LD): I welcome the Minister to his first debate in his new role. I appreciate that it is a difficult baptism for him; procurement is principally the responsibility of another Minister. However, we welcome him here today. Our debates are sometimes robust, but he will be relieved that, thus far at least, they have not been as robust as Mr. Jeremy Paxman can be when interviewing on "Newsnight".

It is good that we have the opportunity today to have this debate about defence procurement. It comes at a time when there is increasing concern on the part of the public, the media, parliamentarians and the armed forces themselves about the critical degree of overstretch that we are experiencing. That takes its toll not only on the men and women who serve in the armed services, but, as has been said, on the equipment that they have in Iraq and Afghanistan, which in many cases is also suffering from overuse. In many cases, its life expectancy will be shortened as a result of the extra burdens placed upon it.

It is intriguing that we are having this debate on the same day that we have had the comprehensive spending review, confirming as it did the defence spending figures for the next three years. Having had the opportunity to look at those, we can see that, from this year, expenditure of £32.6 billion will go up over three years to £36.9 billion, an increase of £4.3 billion. The Government were spinning that in July as £7.7 billion. The hon. Member for Woodspring (Dr. Fox) and I have memories of such Government accounting from when we served our parties on health: increases in health spending were accounted in the same way.

As we have heard, it all boils down to an increase year on year averaging 1.5 per cent. above inflation. Incidentally, most of it, if we look closely, is in the third of the three years. For the first and second year, we will barely even keep up with inflation. That means that the pattern of increases that has obtained in recent years will continue. The message seems to be business as usual. In the light of the concerns that I alluded to a moment ago about the problems that overstretch is creating, I have to ask whether that is going to be good enough. When the Ministry of Defence looks at the settlements that some other Government Departments have been given, I think that it will breathe a sigh of relief, as things could have been even worse. However, when we look at the scale of the challenges, we will have to probe over the years how things are going to work.

The MOD has a real-terms increase. I welcome the priority that it is giving to certain areas: it has said this afternoon that it is going to pay more attention to the armed forces, armed forces welfare, housing and the conditions in which individual men and women are working. However, if it is going to do that sincerely, and I believe that it will, many of the programmes that we see looming on the horizon are going to stretch further to the right or to be scaled down.

**Mr. Bob Ainsworth** *rose—*

**Nick Harvey:** I see the Minister hovering and his arm coming out. I know what he is going to ask and I will give him the opportunity to do so. However, as the hon. Member for Woodspring said, we do not have laid out before us what is going to be spent and when. The Minister is going to ask me which things I do not want to be moved to the right. How can I possibly answer that when he does not give us the basic figures with which we could begin to make a case of that sort?

**Mr. Ainsworth:** The hon. Gentleman lays out the pressures and the difficulties. He is right: the question is extremely predictable but it still has to be asked. It is the same question that I asked the Conservatives. It is all right saying that an increase of 1.5 per cent. above inflation is not enough, but the pattern is a 10-year growth in spending on defence. If that is not enough, what would the Liberal Democrats commit to? It is no good him saying that he cannot see the figures. Of course, we can improve our scrutiny and all the rest of it, but what above that would the Liberal Democrats like us to spend?

**Nick Harvey:** As I go through my remarks, I will look at the various procurements that are stretched out before us and we will have to address which of them are likely to be the casualties and what the implications of any delays and stretches to the right will be. Something or other has to give. The Government have not as yet cancelled any of the big procurements that we await. They have not as yet announced any downscaling of them. It is not simply the Liberal Democrats saying that we cannot get all that out of the budget on the scale that has been laid out. Many independent observers are making the same point, including the International Institute for Strategic Studies. From memory, Dr. Lee Willett, director of the Royal United Services Institute, was saying the same thing.

We already have a seriously overheated equipment plan. The costs—the military inflation—grow year on year, so we see a shift of those programmes to the right. They get delivered in stages, or—this is all too common—the numbers, the size and the capability get scaled back. Eventually, having been state-of-the-art technology at the outset, they arrive years out of date. A good example of that would be the Eurofighter or Typhoon programme, which from memory was signed off by John Nott when he was Secretary of State. It has only come into service in the past couple of years.

**Dr. Fox:** We accept that the Government are maintaining a permanent information advantage over Parliament. If the Government say that they are setting aside £5 billion for housing improvements or £110 million for new Mastiffs, we cannot tell whether they are squeezing other things out of the budget, because we do not know what the procurement figures are in which years. Only the Government know that. That is an example of the Executive maintaining an advantage over Parliament and Parliament therefore being unable properly to scrutinise the Executive.

**Nick Harvey:** I agree. I agree also with those who have said that proper parliamentary scrutiny could improve the procurement process. Some of the inherent flaws in that process contribute to the unfortunate outcomes to which I have referred.

In 1998, the Government conducted a strategic defence review. It is broadly correct to say that there was all-party consensus on its big-picture conclusions at that time and that that has continued, but the world has changed a great deal in that time. The events of 9/11 and their aftermath mean that the world that we are looking at now, that we are planning for in the years to come and for which procurements are to be prepared, is very different. The time is now overdue for another strategic defence review.

Some may groan at the thought of such a review but they have them regularly in the United States and at much shorter intervals—every four years—than in the UK. It is time that we undertook such a review again; it is overdue. Through such a review, we can decide which of the various procurement plans that are stretched out before us will be appropriate to meet the challenges that we will face. We must plan our procurement on the basis of the strategic environment that we face now and that we expect to face in the years to come. We must have a flexible response. Of course, we cannot anticipate what is around every corner, but a return to the baseline and having another look are long overdue.

**Mr. Hoyle:** Could the hon. Gentleman state clearly what his view is? He is very knowledgeable on defence and has a great vision for defence. Within that vision, does he support a further tranche of Typhoon? Does he support the workers in Lancashire?

**Nick Harvey:** The hon. Gentleman is asking me to put the cart before the horse, but if we are to have a strategic defence review and consider future requirements we must not pre-empt that by making assumptions beforehand. However, he knows that we have been sceptical about the matter raised, and that remains the case.

The urgent operational requirement—UOR—has undoubtedly frequently saved the day in Iraq and Afghanistan. However, the Treasury is now sabre rattling to the effect that it will not continue to bless the recent scale of procurement that has taken place through the UOR system, and there has been media comment that it is becoming a significant part of the procurement process. That further underlines the need both for a review of the strategic environment and for the overall planning methodology that we use for our procurement processes to be improved. We cannot continue to get away with plugging the gaps on such a scale through the UOR or a similar system. We have also heard warnings from within the armed forces.

**Mr. Nicholas Soames** (Mid-Sussex) (Con): Does the hon. Gentleman not accept that when a war is fought on two fronts, there is no alternative to a system such as the UOR because procurement requirements become urgent in the light of the circumstances faced by the troops on the ground? We will never be able to do away with the UOR; it is an important and effective part of the procurement system.

**Nick Harvey:** I certainly agree with that, and I have said that the UOR has been vital in saving the day on a number of occasions. I am not suggesting that the Treasury should be allowed to have its way, but I am simply flagging up a point that has already been made: that the Treasury appears to be getting agitated on this matter. I should also refer to various Defence Committee reports; it has repeatedly expressed worries that the MOD initial budgeting processes do not seem to be all that they should be, and that supplementary estimates are produced later. That is symptomatic of the same situation.

General Dannatt has also often stressed in speeches and remarks that the armed forces—specifically the Army in his case—are in desperate need of new procurements coming on stream, particularly FRES, the future rapid effect system, which we have heard about this afternoon. I welcome last week's announcement, but trumpeting the fact that the announcement is two months early rather ignores the fact that it has taken nine years to get to where we are now. This particular announcement might have been two months early but, overall, it is running long behind the curve. FRES is undoubtedly very important, as are some of the other forthcoming procurements, and we can only hope that the budgetary restraint to which I

have alluded will not have an impact on the FRES programme's time scale or capability. I gather that the plan now is to get the first vehicles operational by 2012. That is welcome in the sense that the situation could have been a great deal worse, but there is a need here and now for this sort of generation of vehicles. The deployment of some Mastiffs is welcome; but, again, they are clearly plugging a gap. It is also hard to understand quite how the number of Mastiffs that is now being talked about will fit into the future overall inventory.

**Dr. Andrew Murrison** (Westbury) (Con): I am sure that the hon. Gentleman is aware that our indigenous defence industry is important to FRES and support for our troops in Iraq and Afghanistan, and I notice that his signature is absent from an early-day motion 2030 tabled in the names of his hon. Friends the Members for Colchester (Bob Russell) and for St. Ives (Andrew George). That motion would have the effect of imposing a windfall tax on our indigenous defence suppliers so will the hon. Member for North Devon (Nick Harvey) add his name to that? If not, what conversations will he be having with his hon. Friends?

**Nick Harvey:** I commend the hon. Gentleman on his sharp sight. I confess that I have not seen that early-day motion, but I will give it my attention and conduct the discussions he suggests after I have done so. I thank him for drawing it to my attention.

The Public Accounts Committee recently rightly raised concern about the MOD's biggest weapon project running over-budget and falling increasingly behind schedule. To turn to a point made by the hon. Member for Grantham and Stamford (Mr. Davies), we must at all times be concerned about the waste of public money. It is essential to the troops that we get what they need to them as quickly as we can, but it is also essential to taxpayers that we drive a better bargain for their money than we have done on all too many occasions. The culture of delay that has developed over the years is not only to the detriment of the armed forces, but it also costs taxpayers dearly. The fact of the matter is that we end up spending more than we should, getting less for our money than we wanted, and getting it later than we should have done—and its capability is often not appropriate for modern circumstances and is a pale imitation of what was originally planned.

We know that the equipment situation in Afghanistan is dire. Reports have mentioned only half of the Apache helicopters working, only 70 per cent. of the Chinooks being available, only 16 of 96 promised armoured vehicles being delivered, engineers moving high explosives in soft-skinned trucks and soldiers having to buy their own kit as the Army provisions were below requirement and not fit for purpose. That is an unacceptable situation. *[Interruption]*. It is all very well for the hon. Member for Chorley (Mr. Hoyle) to say that that is not true, but serving members of the armed forces have talked to me and other Members about that—those serving members have said that that is their view. I appreciate that others have a different view, but I am simply relating to the House what members of the armed services have said directly to me.

**Mr. Hoyle:** The truth of the matter is that the kit is there, but there is also personal choice; soldiers always have bought the kit that they feel suits their requirements, and they always will do that. We ought not to embroider the story.

**Nick Harvey:** I am not embroidering the story. That point the hon. Gentleman makes is exactly the same as the point I am making: members of the armed services feel driven to purchase their own equipment. They feel driven to do so because they have no confidence in the equipment supplied to them.

**Mr. Soames:** Nonsense.

**Nick Harvey:** The hon. Gentleman says from a sedentary position that they are not, but serving members of the armed forces look me straight in the eye and tell me that they are, for the reason I have given. I do not believe that anyone can, with confidence, say otherwise. We must do better by our armed services not only in the supply of boots but, more importantly, in the supply of big equipment.

**Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): The hon. Gentleman has just mentioned a basic bit of kit. When was the last occasion somebody came to him to complain about adequate boots not being available?

**Nick Harvey:** From memory, as recently as March this year, when I heard from people who had just come back from serving in Afghanistan last winter. If the hon. Lady has information that a transformation of the supply has taken place since March, I invite her to report that to the House.

**Mr. Ben Wallace** (Lancaster and Wyre) (Con): In light of the hon. Gentleman's comments about individual soldiers being driven to purchase kit, perhaps I could refer him to the diaries of Private Clay of the 3rd Foot Guards—probably the finest regiment in the British Army. In his diaries at the battle of Waterloo, he mentions exactly the same problem of the inadequacies of his kit and that he was forced to purchase a new knapsack. It is not uncommon for individual soldiers to buy personal equipment, but I have never met a soldier who was driven to buying a larger piece of equipment, such as a tank.

**Nick Harvey:** I am not quite sure that I follow the hon. Gentleman's last point, but I accept that this is not a new phenomenon. However, that does not make it any more acceptable that so many of the armed forces feel driven—feel driven, I repeat—to go out and do what I have described.

Let me turn from boots to helicopters. I cannot conclude my contribution to this debate without mentioning them. It was a subject that was always very dear to the late Lord Tim Garden who, tragically, died in the summer. He is unable to continue to make his point, so I do it in his stead. The helicopter situation in both operational theatres is desperate. In both those theatres, they are indispensable, but there are still too few. Those that there are have restricted flying times and operational constraints that affect their support role in both medical and military missions.

*[Nick Harvey]*

We need not revisit the saga of the grounded Chinooks here, but suffice it to say that it has been an absolute disgrace. Years after the Chinooks were first ordered, the same problems continue to plague them. They lack airworthiness. The forces have not had the helicopters that they need at their disposal. I will be interested to hear from the Government about their plans for the future.

My hon. Friend the Member for Yeovil (Mr. Laws) asked the Minister about the partnering agreement with AgustaWestland in respect of the Future Lynx programme. That, of course, has been signed and there is an anxiety that the Government may not follow it through on the scale or time scale that the armed forces need. Beyond the issue of the Future Lynx is the serious issue of what will replace the Sea Kings and Pumas—they are antiquated. Sea Kings should not be used in anything like the circumstances in which they are, years after they were built for a completely different purpose. If we are looking ahead, we must have clarity about the Government's longer-term intentions on that issue.

There is a strong correlation between, on the one hand, poor equipment and vital shortages and, on the other, the toll being taken on the armed forces and the overstretch about which we are all so concerned. We have heard about the widely reported and speculated-about cuts in the naval fleet. The Government need to come to the Dispatch Box and clarify their intentions in that regard; it is simply unacceptable that such reductions in our capability should be made by what is frankly a stealth process. The Minister needs to clarify the issue.

The aircraft carriers have been announced and that is welcome. The hon. Member for Chorley (Mr. Hoyle) asked me about Eurofighters, but the issue of what will fly off the aircraft carriers is a long way from being clear. It is time that the Government started to indicate what they anticipate will fly off the carriers, particularly as the joint strike fighter, which had been predominant in the Government's thinking on the issue, is itself stretching further off to the right and is certainly further to the right than the now announced and expected deployment dates for the two aircraft carriers. Whether those dates will be achieved is another issue altogether, but there is clearly a time gap between the two things.

The defence industrial strategy is a brave attempt to improve our procurement processes. I am pleased that Lord Drayson is still in position and is able to try to pursue the new approach. However, it is important, in identifying head contractors and the operators with whom the Government are going to deal, that the interests of small and medium-sized companies are not forgotten. When the Government make their key decisions about suppliers for the FRES project, that should be one of the key criteria by which they should be judged. What will be the role of small and medium-sized firms in that provision? There will be other considerations, such as what capacity there will be for putting new capabilities on to the vehicles as time goes on; inevitably, whatever they were designed for initially will need to change as the years go by. Making sure that whatever is designed is capable of being adapted, changed and added on to as time goes on is vital.

We have to retain knowledge and capacity in certain key industries. We need to decide which those are on the basis of national security. As has been said, there will be other instances when it will be possible to buy off the shelf elsewhere. The more that we can do that in an internationally competitive environment, with allied countries being in a position to provide options to us, the better—the better the value that we will get for the taxpayer and the better the product that we will ultimately get for our armed forces.

6.44 pm

**Mr. Nicholas Soames** (Mid-Sussex) (Con): May I first warmly welcome the Minister for the Armed Forces, who is no longer in his place but who opened the debate tonight? He performed gallantly when dropped, as *The Sun* so charmingly put it this morning, deep into "the Brown stuff" last week, when the Prime Minister made an announcement in Basra about force levels and the number of those returning to this country, without first having told the Secretary of State that he was going to make it. I wish to place it on record that the Prime Minister's actions in that regard and many others in the past week were absolutely contemptible and unforgivable, and that he took advantage of his position by being among our troops.

My speech will be brief. I want to ask a number of questions in no particular order. First, I am told that the Fleet Air Arm would prefer to have the Super Hornet maritime strike attack aircraft, which it could buy off the shelf, instead of the joint strike fighter. I would be glad if the Minister could let me know the position on that matter. Has that been or is that being considered, given the escalating costs of the JSF?

Secondly, I am anxious to know what the Army is doing about recruiting. How does the recruiting stand? Many regiments are having to go on operations with composite squadrons and companies; that, of course, is of great concern. The lack of manpower is leading to serious overstretch at a time when we are fighting in two different theatres.

Thirdly, will the Minister see what he can do to try to improve on the Ministry of Defence's dismal performance in respect of telling the story of the astonishing achievements and activities of British troops on operations? The continual bleating about nobody knowing what the Army is doing on operations is entirely the fault of the structures to promote such stories. There is no reason on earth why well informed, well told stories that give away nothing, but enable people here to get some comprehension of the astonishing challenges and remarkable achievements of our troops, should not be told. It is incumbent on Ministers to review the situation and see what they can do to drive it forward. At the Ministry of Defence, in both military and civilian bureaucracies, there is a sort of leaden resolve to say no to everything. I urge the Minister to improve on that.

Fourthly, I should like to make the general point that now is no time to reorganise the head office of the Ministry of Defence, although I understand that that is to take place under the Cabinet Office changes. Doing

such a thing is madness when we are operating at war in two theatres—one very, very demanding and the other just very demanding. It is folly to take our eye off the ball because of such a major change at the very top of the Ministry of Defence.

Next, I want to raise a question that I know my hon. Friend the Member for Aldershot (Mr Howarth), who knows so much about such matters, will also raise. It is about the treatment of the Defence Export Services Organisation, which was raised by my hon. Friend the Member for Woodspring (Dr. Fox). As my hon. Friend the Member for Aldershot wrote in an admirable letter to *The Daily Telegraph*, it is extraordinary that

"just 10 days before scrapping it, the Government placed an advertisement in a Sunday newspaper for a new head of the DESO, under the job description: 'This is a vital role supporting defence objectives and contributing to wider national interests.'"

Scrapping DESO is an act of bovine stupidity, engineered by some communist woman at the Treasury, I understand, who decided that it would be in the interests of the United Kingdom to do away with one of the most effective organisations in this country for promoting British commercial interests. When I was a Minister in the Ministry of Defence, I worked alongside two DESO chief executives and I have only the highest admiration and regard for everyone in that organisation, which has done so much to raise this country's defence export sales. Our defence products are admired all over the world and are a very important part of our commercial life.

Next, the hon. Member for North Devon (Nick Harvey) was right to say that the real increase in defence spending is about 1.5 per cent. year on year. It is futile for the Government to keep asking Conservative Members, "What would you do?" We are not in government: we will have to deal with such questions when we are in government, but military funding cannot remain at the current low level when we are fighting two wars. We are doing that on a peacetime budget, but Ministers must understand that the result is that there has been a split in the armed forces. I have never known such bitterness and inter-service rivalry as exists now in our armed forces. The three services are having to fight for the very poor assets that are available, and I believe that the chiefs must be feeling the strain very seriously. All that is happening at a time when we can least afford it.

I shall end with two brief points. The first is that we cannot fight the wars that we are fighting unless the money available to meet the here-and-now requirements of our forces is increased. For instance, we urgently need more helicopters. There is no argument about that, and I was delighted by the Prime Minister's announcement yesterday that, not before time, an order was to be placed for 140 Mastiff patrol vehicles.

In that regard, I should like to congratulate my hon. Friend the Member for Congleton (Ann Winterton) on doing so much to bring home to colleagues in the House how serious is the problem of the lack of protection available to our soldiers. Some of the hazards that they face are very grave. The vehicles referred to yesterday by the Prime Minister should have been ordered at least 18 months ago and, although I am pleased that the order has been made, we cannot afford to put our entire future capability at risk. That means that we must pay for the wars that we fight in a realistic way.

Finally, may I make a suggestion to the Minister? It is probably somewhat outside today's discussion, but in my view it is essential that the next Chief of the Defence Staff is not chosen from among a group of nominees put forward by each service in a manner that, as it were, resembles Buggins's turn. I believe that the next CDS should be chosen from the entire pool of four-star officers in all three services, as that would broaden the talent pool in a way that is very important in today's armed forces.

6.53 pm

**Mr. Michael Jack** (Fylde) (Con): It is always a pleasure to follow my hon. Friend the Member for Mid-Sussex (Mr. Soames), who speaks with inimitable knowledge, determination and commitment. His remarks stand in stark contrast to those of the Minister, who said that he had waited four years to speak. We might have had a more coherent presentation of the Government's procurement policy if he had waited a little longer. He meandered through a sort of shopping list of what was being bought but, as the hon. Member for North Devon (Nick Harvey) noted, without any sort of context.

I mention that because, when I speak in these debates, I normally launch straight into a series of points relating to the aerospace industry and to the BAE Systems plant at Wharton in my constituency. However, the importance of identifying the threats that face us and, therefore, what we should procure to deal with them was brought home to me when I spoke recently to officers from 2nd Battalion the Rifles. They had recently returned from Iraq, and they told me that what had struck them was the paucity of the basics.

For example, when those officers left Iraq, the tourniquets used by soldiers to treat field injuries had to be handed in, and they described how a man held a box for their collection. One officer told me that his body armour, sweaty after six months of brave service, also had to be handed in so that somebody else could use it. If equipment is to be handed on in that way—it is almost like hot-bedding—it is clear that something is wrong, and that there are serious pressures on some of the basics. When one speaks to brave soldiers who have faced sophisticated roadside bombs which might have emanated from countries such as Iran, one wonders why the Government have said nothing about the investment made in defence technologies aimed at dealing with that very real threat to our soldiers every hour of every day.

The debate will be the poorer for the lack of a wider context for the shopping list enunciated by the Minister, because we must be certain that we have got our procurement priorities right. The programmes are very long term, but the correct balance must be struck between the short-term interests of the infantry soldier on the ground and the longer-term strategic interests of force deployment and the ability to provide minute-by-minute air defence capability. The importance of that capability was demonstrated by the recent resumption of Russian military flights over the UK.

I turn to an article published in the October edition of the magazine *Aerospace International*. It said:

"To bolster his military, President Putin has announced plans to boost...military spending with a $200 billion injection up to 2015."

*[Mr. Michael Jack]*

All of a sudden, the sleeping giant that was the Soviet Union has been reincarnated by the arrival of petrochemical funding in Russia. It is worth looking at the sort of equipment produced there, as it includes the SU35—an aircraft that is not dissimilar to the joint strike fighter. The same article says that an element of commercialism is creeping into the Russian aerospace industry, which is using its export arm to develop markets for affordable but high-performance modern aircraft. Those markets include India, and one cannot but wonder what we might be up against if such equipment were to be deployed.

**Mr. Hoyle:** The right hon. Gentleman is right to say that India is looking for aerospace technology. In fact, it is already building the Hawk aircraft, and it is still building Jaguars. Britain is one of the countries in the fly-offs to provide the future needs of the Indian air force. Does he agree that hon. Members of all parties should do everything in their power to support BAE Systems' Typhoon aircraft, and to ensure that India looks to BAE Systems for its future needs, rather than to Russia?

**Mr. Jack:** I am grateful to the hon. Gentleman, who makes an excellent case for retaining DESO, as that organisation would be an ideal vehicle for such a sales pitch. I suggest that he reads the magazine article to which I have referred, as it will expand his understanding and education by demonstrating exactly what we are up against. We are in a highly competitive world, and it sends a shiver down my spine to discover that the Russian aerospace industry once again is trying to compete for the sort of business that we want to secure. In addition, the same article suggests that the Russians are trying to develop stealth capability.

**Mr. Kevan Jones** (North Durham) (Lab): Will the right hon. Gentleman give way?

**Mr. Hoyle:** Will the right hon. Gentleman give way once more?

**Mr. Jack:** I will give way to the hon. Member for North Durham (Mr. Jones).

**Mr. Kevan Jones:** I am very interested in what the right hon. Gentleman is saying, and I agree that the aerospace market is very competitive, given the threat posed by the former Soviet Union. However, does not that mean that the Government have to set priorities for where investment is made? I support what he has said about the Eurofighter, but I also recall that the hon. Member for Aldershot (Mr. Howarth), who is now sitting on the Opposition Front Bench, went to work as a promoter of the Soviet aircraft industry when he lost his seat in 1990.

**Mr. Jack:** My point is that, all of a sudden, a resurgent Russia has rejoined the competitive arena for aerospace contracts of a military nature. It is important that we do not forget that as we consider these matters. I want to move on now to some specific questions.

**Mr. Hoyle:** Will the right hon. Gentleman give way?

**Mr. Gerald Howarth** (Aldershot) (Con): Will my right hon. Friend give way?

**Mr. Jack:** I will not give way, because time is against me and I want to proceed to ask some important questions on behalf of the aerospace workers in my constituency.

Naturally, I am delighted that Saudi Arabia has maintained its strong links with the United Kingdom, with the signing of the deal for 72 Eurofighter Typhoons. The Minister did not mention the closer working relationship between the Saudi Arabian and United Kingdom aerospace industries, not just on development of Typhoons but on other air systems and perhaps in other areas of mutual defence interest. I regard that as very important. My first question is whether, against a background still of Government silence on tranche 3 of the Eurofighter Typhoon, the 72 aircraft will be net extra to the project or a trade-off between those aircraft which the United Kingdom have already decided to buy within the envelope of an overall purchase of 232. There seems to be a great deal of speculation on exactly what is happening with the third tranche of the Eurofighter Typhoon. I accept that a final decision will not have to be taken for probably another 12 months, but it would be helpful if the Minister could say something about the process to determine just how many of those aircraft will be bought.

Reports in *Jane's Defence Weekly* have indicated that all partners in the Eurofighter consortium have begun consultations on the implications for the project of reductions in the overall number of aircraft. Those remarks were given further currency by the Chief of the UK Air Staff, Air Chief Marshal Sir Glenn Torpy, when *Jane's* reported that he told the magazine

"that this process would come to fruition in about 18 months as the various national and international procurement processes assessed the options"

and that

"He suggested that the UK was considering not buying its full allocation of 88 Tranche 3 aircraft."

Was the Chief of the Air Staff speaking correctly when he gave that interview to the journalist?

It would equally be helpful to know what processes were involved in determining the specification of the tranche 3 aircraft. Some strange stories are doing the rounds: that somehow tranche 1 aircraft will be exchanged for tranche 3 in a refurbished form; that tranche 3 will be a more sophisticated version; or that tranche 2 will be upgraded. Confusion reigns. It would be helpful if we had some indication of what is going on. The hon. Member for Chorley (Mr. Hoyle) and I have on a number of occasions pursued the Government's attitude to a marinised version of Eurofighter Typhoon.

Another major defence project that the Minister fails to go into in any detail is the joint strike fighter. British Aerospace is delighted to have a 10 per cent. work share of the project, but coming from the United States are some concerning stories not just about cost overruns and time delays, which one accepts as par for the course on such a complex project, but about operational failures of the short take-off and vertical landing aircraft, which would effectively be the carrier-borne choice of the United Kingdom Government at the moment.

The Minister was also silent on whether the Minister for Defence Equipment and Support, Lord Drayson, had seen any signs of the information and technology exchange that should underpin whether we buy any of those aircraft. Lord Drayson made it clear that there was a plan B if the United States did not tangibly open the books to the United Kingdom aerospace industry and the United Kingdom Air Force on an equal basis and share that technology. What progress has been made? Have there been any tangible signs? If not, why not? If not, what does the Minister intend to do about the decisions that ultimately have to be taken about which aircraft are to be deployed on the carrier?

Again, stories are swirling around—are we to have some joint strike fighters and some Eurofighter Typhoons? I do not know. I should be grateful if the Minister was kind enough to clarify precisely what the situation will be.

**Robert Key** (Salisbury) (Con): He does not know either.

**Mr. Jack:** Perhaps not, but the purpose of the debate is to find out answers to some of these important questions. It is great to see BAE Systems recruiting 1,000 people this year and 1,000 next year of the right skills mix, but those people want to know whether they have a long-term future in the industry and they want answers to these questions, particularly against a background of press reports. A final assembly and check-out facility has been agreed for joint strike fighter with the Italians, when the Government said in the Rand Europe report that they were considering it. Again, they have gone quiet on that.

As for conventional aircraft, perhaps the Minister could say something about the state of play for Nimrod. The Government announced about a year ago that they were talking about purchasing up to 12 MRA4 maritime patrol aircraft. Certainly, test flying has shown that its capability is much admired, not just in this country but by competitors. However, the Government are vacillating over the three prototype aircraft, notwithstanding the nine that I hope they will buy. The Minister should bear in mind the growing importance of long-range maritime patrol and land-based patrol aircraft. The Nimrod is an ideal solution to both those challenges, and it would be useful to know precisely the Government's position on these matters.

The Minister glossed over the question of unmanned air vehicles. He seemed surprised when I asked him about the operational capabilities of the HERTI aircraft, which has been deployed in Afghanistan. The Government have, in fairness, provided some £50 million for a demonstrator project from BAE Systems—the Taranis project. I am delighted to hear that, but it would be helpful to know from the Minister some more about the time scale for that project, and whether the demonstrator will lead to more interest in different types of unmanned air vehicles. Without doubt, when one comes to look to the future, it will be important to strike the right balance between manned and unmanned air vehicles in facing the threats before us.

I started by talking about what was happening in the Russian aerospace industry. One of the concerning points in the defence industrial strategy was a clear statement that for the foreseeable future—the next 20 or 30 years—the United Kingdom Government could not see their way to being involved in any more fast jet project development. Given that competitors are now enhancing their technological capability, perhaps the Minister can say whether the Government plan to review that very definite statement in order to make certain that we do not fall behind in our technological capability.

My hon. Friend the Member for Woodspring (Dr. Fox) mentioned the lack of specificity by the Government about the sovereign technologies that we need. The reason why we are involved in joint strike fighter is that short take-off and vertical landing capability and our manufacturing capability were the jewels in the aerospace crown that were put on the joint strike fighter table. If we are not involved in major projects in the future, the United Kingdom will develop its technologies, but on a jobbing shop basis. We will no longer be absolutely at the forefront of technological and material development. I should like to hear some reassurance from the Minister that the Government regard in the same way as they do our nuclear capability, our shipbuilding capability and our encryption capability, the capability to be at the forefront of aviation technology. Without those skills, given the importance of air power to meet a range of threats, we will flip backwards and become dependent on other people's technology at a time when we need sovereign capability.

7.9 pm

**Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): I begin with an apology, or rather an explanation, to those on the Opposition Front Bench. It was no discourtesy that I was absent during the Opposition's opening speech, but defence debates often take place on days when the Select Committee on Defence has commitments. The hon. Member for Salisbury (Robert Key) and I were attending a meeting with the Under-Secretary of State for Justice, the hon. Member for Lewisham, East (Bridget Prentice), to consider an issue that strikes a particularly important chord with all Members who represent defence constituencies: the arrangements for coroners' courts and inquests following the repatriation of bodies from theatres abroad. I congratulate the hon. Member for Salisbury, who may well speak about such matters a little later in the debate—I will leave that to him—on his diligent campaign to bring these matters to the attention of the appropriate Ministers.

When I last spoke in a defence debate, at the end of April, I concluded by saying that I looked forward to some important procurement matters moving forward in the months ahead, and indeed they have. I make no apology for concentrating on local issues, where we are experiencing a very fast pace of change.

Locally, the MOD has agreed to Babcock's purchase of DML, which operates our local dockyard, and it has been cleared by the Competition Commission. The terms of business agreements are being cleared: the dotting of the i's and crossing of the t's on the important contract arrangements for the nuclear facility and the Trident contract—an important part of which we operate at Devonport—as well as major contracts to refurbish the Vanguard class submarines. The new owner has been broadly, if somewhat cautiously—as is our way in Plymouth—welcomed. A British company is involved, rather than the rather distant American ownership that

*[Linda Gilroy]*

we previously experienced. Babcock has formed Babcock Marine, the headquarters of which will be based in Plymouth. We look forward to working with the company, and we hope that, having acquired the significant additional base of Devonport, it will be able to use the new arrangements as a springboard to become a major marine defence company in the United Kingdom.

The dockyard and the naval base activities are closely linked, and we were very pleased with the outcome of the review, which found a role for all three bases. The Minister and members of the Defence Committee are certainly familiar with the peaks and troughs of submarine maintenance work in Plymouth. The investment of £150 million in the nuclear infrastructure to meet, quite rightly, the ever more stringent safety case and to enable those involved to undertake decommissioning work on the older classes of submarine was also very welcome and certainly answered some of the great concerns that we have expressed over recent years. Nevertheless, there will still be some challenges for the new company. The base porting of ships at Devonport remains a very important issue, on which we hope to get some clarification in the near future. If there is one issue on which the Minister's clarification would be appreciated, it is that there will be no further haemorrhaging of Devonport's role as a base port for ships in service.

My right hon. Friend the Minister for the Armed Forces visited Plymouth last week. From discussions that I and the other Plymouth MPs—my hon. Friend the Member for Plymouth, Devonport (Alison Seabeck) and the hon. Member for South-West Devon (Mr. Streeter)—had with him, I know that he is familiar with those arguments and, indeed, will meet all three of us again tomorrow to continue the discussion. From his participation in the Thursday war, I am sure that he will have seen for himself that there is far less congestion in Plymouth than there is in the busy Portsmouth facilities. Nevertheless, we have the capacity to offer significant savings to the naval base review budget, especially through the innovative land release model that is under discussion.

In his statement on the naval base review, my right hon. Friend the Secretary of State for Defence told the hon. Member for South-West Devon that there would be no further salami slicing of naval base activities and issues. As chair of the strategy group that has been looking at the work load issues, the change in ownership and the naval base review since December 2005, I want to tell my hon. Friend the Minister how important we consider it to be to conclude the work that we began during the naval base review and to state clearly the comparative socio-economic impacts of a reduction in activities at the different naval bases on the savings that will need to be made.

Before leaving local issues, I want to mention two matters to do with filling those important troughs and helping us to maintain the skills base at Devonport. First, the recent £30 million work package for HMS Ocean is certainly welcome, although of course we look forward to more of the allocated non-competitive work load coming our way. We have also become used to filling those troughs with luxury yacht work. I think that a keel was laid at Appledore in north Devon only yesterday morning—something that will be very welcome to the hon. Member for North Devon (Nick Harvey)—and rail rolling stock is also being refurbished.

We were all a little taken aback in Plymouth recently by the £30 million contract to build new military vehicles, which my right hon. Friend the Minister mentioned in his opening speech. That will take a little bit of getting used to in Plymouth, which has been so strongly identified as a naval port for many years, but we hope that it heralds further contracts coming Devonport's way from that very big—I think that it is worth £16 billion—programme of FRES vehicles, albeit perhaps not all of it. That would be a little greedy, but if we can perform with the skill for which the Devonport work force are so well known and deliver value for money, on time and to the right quality, Plymouth might well become known for that in future years—as well as for its very strong association with naval matters.

In the last defence debate, I spoke about increased investment in Defence Estates and single living accommodation, including Project Armada in Devonport, and improvements to service family properties. Since then, the Defence Committee has produced a report on the issue, and as part of our ongoing work we will look closely at the Government's response to the serious issues about the pace of change that we raised in our report. The investment announced in the Chancellor's statement earlier today is very welcome, but it is clear from our report that change and investment are greatly needed if we are to achieve the standard of accommodation that we would wish for all our service families within the foreseeable future.

A number of hon. Members mentioned helicopters. The new Merlins were mentioned in a recent press report, and we were told earlier this year that they would be available within a year. Lord Drayson visited those involved with the helicopters, which we hope will soon be available. As other hon. Members said, we need to make much more progress on helicopters.

I am sure that progress at strategic level will form a significant part of the Defence Committee's ongoing work in the current and forthcoming Sessions. We will consider the lessons of the urgent operational requirements, particularly in respect of the defence industrial strategy. The right hon. Member for Fylde (Mr. Jack) expressed concern about whether the priorities were being configured correctly. I am not sure how welcome he would have found the remarks that the Chief of the General Staff, General Sir Richard Dannatt, made in his speech to the Royal United Services Institute in September. The key points that he attempted to lay before us, which will no doubt preoccupy us as we approach the forthcoming defence industrial strategy, is that basic equipment procurement has suffered as the UK has focused on the acquisition of advanced technologies, and that, as we heard in the Minister's opening remarks, the urgent operational requirements process, on which we now spend £2 billion, has been instrumental in developing forces and their equipment.

General Sir Richard Dannatt made some very strong points in that speech, which I commend to all Members who follow defence issues closely and who have not yet picked up on it. It is in the very good briefing that the Library produced for this debate. He would like us to spend more money on getting things right at the very lowest levels. He talked at considerable length about

the great improvements that have been made, and not only in respect of the Mastiff vehicles. He particularly referred to the role of dismounted close-combat units. He compared the infantry unit of two years ago to one of today, and said that people

"would be surprised at the difference between personal equipment, weapons vehicles and overall capability".

We must be careful, in our comments about deficiencies which, no doubt, are there—to bear it in mind that things are changing very fast, particularly with the significant investment that is being made in urgent operational requirements in response to what people on the ground find necessary.

We are experiencing continuous change in the culture of researching and developing new equipment, but there are also ongoing, major procurement changes to the partnership between industry and Government. The Select Committee will shortly return to consider the progress that has been made since the first defence industrial strategy, which of our recommendations have been taken up, the need to invest substantially in research and development if we are to keep ahead and are to be in the right place in 20 years' time, and the issue of the small and medium-sized enterprises that the hon. Member for North Devon mentioned. I notice that Christianne Tipping of the Royal United Services Institute, who comments on such matters, says that she is unsure whether that issue is being followed up in the way that we on the Defence Committee would expect, and that the second defence industrial strategy might well suggest that that role needs to be formalised.

To conclude, I should like to say how much we welcome the work that Lord Drayson has done, and to welcome, as others have, the fact that he is still in post. Decisions are still being made, not only about up-front acquisition costs but about through-life cost, and that is one of the most difficult areas of defence procurement to take on. It has been said that it will take a brave individual to follow that through to its conclusion, but I hope that we on the Defence Committee can support those who are trying to do that.

7.23 pm

**Mr. Crispin Blunt** (Reigate) (Con): It is a pleasure to follow the hon. Member for Plymouth, Sutton (Linda Gilroy). I hope that she will regard it as a significant compliment when I say that the way in which she represents her constituents' case reminds me very much of our late colleague Rachel Squire, who represented another port. I see that her successor, the hon. Member for Dunfermline, East is here—*[Interruption.]* I am sorry, I meant the hon. Member for Dunfermline and West Fife (Willie Rennie); he is testament to the electoral benefits that can come about when the Prime Minister assists one's opponent in an electoral campaign. That, I think, was at the time when the hon. Gentleman's party was formally leaderless.

The debate is extremely timely for me; the battlegroup of my old regiment, the Light Dragoons, has just returned from Afghanistan. I will briefly speak about it, and my remarks on procurement will focus first on the equipment that it currently uses, and then on the equipment that it is supposed to have at some time in the future, which will be drawn from FRES—the future rapid effect system programme.

I served in the Army for nearly 12 years, and it is humbling for me to talk to colleagues who remained in the Army. I served between 1979 and 1990. The wounds that I got were nearly always the result of being on the wrong end of a cricket ball; it was a rather different age from the one that my former colleagues are now living through in the Army. Indeed, I had to become a special adviser, and then a politician, to find people firing in my general direction. It is humbling to talk to my former colleagues, given what they have just gone through in six months.

I want to place on record my tribute to Lieutenant-Colonel Angus Watson, who has just brought the Light Dragoons battlegroup back. One of its squadrons, B Squadron, has just over 24 hours left in theatre on operations before it comes back. So far, the Light Dragoons have managed to get through without sustaining a fatality. That in itself is a great achievement. As I have family in the United States army who are serving in Baghdad and in Afghanistan, I know about the thoughts and prayers of everyone who is waiting for their loved ones to come home, and about the anxiety that families go through when their loved ones are deployed on operations. Tragically, Colonel Watson's battle group had six fatalities among members of the other sub-units that were part of his battle group. That is part of the pattern of operations, and it shows the intensity of the operations that we are now dealing with in Afghanistan.

We should reflect on the quite remarkable achievements of our young men and women on operations; in the case of the Light Dragoons, we are talking about young men. The Playstation generation is doing our country proud. They are 18, 19 and 20-year-old young men, and the calm, unassuming and humane way in which they have conducted themselves while on operations in Afghanistan is a great tribute to them—a tribute that belies their age, and the expectations that even their parents had when their sons went into training with the Army. It is a remarkable achievement. In six months, B Squadron of the Light Dragoons has had 40 contacts with the enemy, and they range from 30 minutes to seven hours in contact with the enemy, including a full replenishment of ammunition in contact. One or two of my hon. Friends who have served in the Army, including my hon. Friend the Member for Mid-Sussex (Mr. Soames), will have some idea of what that means. What we have expected of them is remarkable.

I am delighted that Breckland district council decided, before the request came from the chief of general staff, to invite the Light Dragoons to parade in a month's time. That small gesture from a local authority means a great deal to the regiments coming home; it shows that their contribution has been recognised.

We should not confuse our admiration for the magnificent way in which our young soldiers are carrying out their duties with a consideration of the wider merits of their task. It remains our duty constantly to assess whether the task that they are doing collectively on behalf of the United Kingdom serves British interests, and wider western liberal democratic national interests. That is a matter that we must constantly keep under review, and we should never confuse the fact that our soldiers are performing magnificently with the fact that what they are being asked to do might not be wholly helpful to our wider objectives.

*[Mr. Crispin Blunt]*

Let me turn my attention to how the CVRT—combat vehicle reconnaissance (tracked)—has done on operations. I recall that when I joined the Army 27 years ago, the vehicles were six or seven years old. They were deployed in the primary role of the British Army of the Rhine, which was there to face our principal threat: invasion of Germany by the Soviet Union and the Warsaw pact countries. In a subsidiary role in Cyprus, where I was posted for six months, we had the delight of travelling around in Ferret scout cars and Saladin armoured cars, and those vehicles were laughably old. They were way older than anyone who was invited to crew them. They were products of the 1950s, but in a sense that did not matter, because that was a subsidiary role for the British Army; the principal question was where the new equipment ought to be.

Today the CVRT is 34 years old, and it is deployed on our principal operational requirements in Afghanistan. It has undergone a number of updates. In the 1990s, when we acquired the Challenger 2 tank, we were in a ludicrous position. The reconnaissance at the front could not keep up with the armour that was supposed to follow it up, so there was a mid-life update of the CVRT, which resulted in a new diesel engine, suspension and power traverse. I am pleased to say that the urgent operational requirements that became apparent in the Balkans following the tragic loss of Lieutenant Richard Madden—his vehicle hit a mine in Bosnia—have resulted in mine blast protection that has saved the lives of at least two vehicle commanders whose vehicles hit mines in the past six months in Afghanistan. We cannot escape the fact that the CVRT is 34 years old. It is the love and care of the soldiers who man it that sustain it and keep it in the field.

**Chris Ruane** (Vale of Clwyd) (Lab): Many of the vehicles that the hon. Gentleman mentioned have parts, including optronics and periscopes, that are made in my constituency. He will be aware of the multi-billion-pound upgrading programme that will enable a whole new generation of armoured vehicles to come on line. What help does he think can be given to smaller companies and suppliers in the UK to ensure that they keep their contracts? What capacity building needs to be done by the Department for Innovation, Universities and Skills, as well as by the Ministry of the Defence, to make sure that small providers and suppliers in the UK have a chance to provide in future?

**Mr. Blunt:** I want to leave that question to the Under-Secretary, because there is an enormous amount of detail about how one should conduct defence procurement and procurement projects in the Ministry of Defence—*[Interruption.]*—much of it extremely well covered by the Defence Committee, as the hon. Member for North Durham (Mr. Jones) suggests. I want to come on to the FRES programme in a moment.

We should remember that soldiers in Afghanistan are frequently on patrol in those vehicles for 12 hours at a time, then spend all night ensuring that they are ready for action the following morning. Imbalances emerge as vehicles originally designed in the 1950s undergo such development. They have been uparmoured to deal with the threats in Afghanistan 50 years later, and we wonder why the engine, the gear box, suspension and weight ratio no longer work. I understand that there is a significant problem with the gearboxes and suspension in particular, because the thing has got out of balance with the original design of the vehicle.

**Mr. Wallace:** My hon. Friend will not be surprised to hear that the Warrior armoured tracked vehicle has now had 32 urgent operational requirements attached to it, which added almost a third to its width and increased its weight substantially, so a solution is required.

**Mr. Blunt:** My hon. Friend is entirely right. One of the problems of a vehicle's remaining in service for so long is that, given the number of updates that it undergoes, a basic imbalance emerges between the various parts of the fighting system. I am simply using the CVRT as an example.

The CVRT will be replaced by FRES. The Minister for the Armed Forces and my hon. Friend the Member for Woodspring (Dr. Fox) both referred to that, and it is only right that they should do so in a debate on defence procurement. FRES is a 3,000-vehicle programme that will cost approximately £14 billion. It is disgraceful that we are having this debate in 2007—I shall come on to the issue of the in-service date in a moment—because as an operations officer of an armoured reconnaissance regiment back in 1988, I was beginning to discuss the shape of the replacement for the CVRT. That was nearly 20 years ago.

The Defence Committee has done an excellent job in its report on FRES, and I thoroughly enjoyed reading in the record of the evidence the exchange between the hon. Member for North Durham (Mr. Jones) and Sir Peter Spencer on the issue of the in-service date.

**Mr. Kevan Jones:** Does the hon. Gentleman agree that what has changed is the fact that Lord Drayson is determined to ensure that the 2012 date is met? Does he not agree that Lord Drayson should get some credit for trying to force civil servants to home in on that date?

**Mr. Blunt:** I am glad that the hon. Gentleman is convinced about 2012, because that rather belies the scepticism with which he questioned Sir Peter Spencer. He said:

> "No, I am not asking you that question. That is what they have put in a submission to us...They are the people you have employed to do this work."

That is a reference to the systems house that is making the assessment and is employed by the MOD. It did not set 2012 as the in-service date; its assessment of the date on which the vehicle would come into service was 2017-18. The hon. Gentleman asked Sir Peter:

> "Are you disagreeing with that?"

Sir Peter replied: "I am noting it." The hon. Member for Portsmouth, South (Mr. Hancock) said:

> "It is not very helpful, is it?"

The hon. Member for North Durham said:

> "It is not very helpful."

**Chris Ruane** *rose—*

**Mr. Blunt:** I will not give way to the hon. Gentleman. He should read the report, because it is a priceless exchange. I commend the hon. Member for North Durham on not losing any of his edge since we served on that Committee together. The people responsible for putting the programme together have told us that it will be ready in 2017. However, in 2003 the Chief of the General Staff gave evidence to the Defence Committee in which he suggested that it would be ready in 2009. Four years later, the programme has slid eight years to the right. At that rate of progress, in four years' time we will be told that the programme will not be ready for another 12 years. All the time, the soldiers of the Light Dragoons—my former colleagues—are invited to continue to fight and work with the CVRT system in service. We owe them a great deal better than that, and I sincerely hope that the Department can address that. I have no confidence, however, that that will be the case.

This is an enormous programme, and the whole future of the Army is bet on it. If we cannot put our Army in the field with the 3,000 vehicles that will be produced as a result, we are in trouble as a country. What is the context in which the Department was invited to fund the programme? The MOD has a budget settlement of 1.5 per cent. in real terms, which was produced at the same time as the Defence Secretary came to the House to trumpet the acquisition of aircraft carriers and the aircraft that will go on them. If I remember the exchange at the time, he was not prepared to put a price on the whole programme, but what is absolutely clear to anyone who understands even a limited amount about defence economics is that the current position is completely unsustainable.

The Government came to office in 1997. In 1998, after a strategic defence review, the then Chancellor of the Exchequer wanted to take £1 billion a year out of the defence programme. That was reduced, after the intervention of the Chief of the Defence Staff, to £0.5 billion a year. In the charming way in which the now Prime Minister counts these things, £4.5 has been stripped from the defence budget as a result of that decision in 1998. It does not behove Ministers—I cite the Minister for the Armed Forces as yet another example—to criticise the Conservatives for their defence expenditure. Those Ministers inherited the defence expenditure plans of the Conservative Government in 1997, and they chose to cut that budget. Since then, they have been driven by operational requirements that have smashed any set of defence assumptions made in 1998.

Ten years later, the armed forces are exhausted, and warrant officers do not take up commissions in regiments, because they do not want to go back to Iraq and Afghanistan yet another time. Young NCOs who have got married have been there, got their medal and been through an amount of military contact that puts most second world war veterans in the shade. There is a limit to their endurance, and to the endurance of their equipment. CVRT is one illustration of good kit that has been well maintained by dedicated people. I am sure my former colleagues would want me to put on record a tribute to the Royal Electrical and Mechanical Engineers who are out there fighting alongside them, keeping that equipment in the field and doing a magnificent job in fitter sections alongside the fighting echelon.

The House votes on the defence estimates, as the hon. Member for Norwich, North (Dr. Gibson) pointed out earlier, and we can put them up if we so wish. We should have a proper debate on whether our defence policy is sustainable with the defence budget, and therefore with the equipment that we are providing to our armed forces. Commitments and capability are not in balance in the burden that we are placing on our soldiers, sailors and airmen. I am familiar with one small example from my former regiment, and I sincerely hope that the Government will attend to the matter immediately.

7.41 pm

**Willie Rennie** (Dunfermline and West Fife) (LD): The hon. Member for Reigate (Mr. Blunt) deserves a return of the compliment, but I must correct him on one matter. I represent Dunfermline, west, not Dunfermline, east, but I can assure him and hon. Members on the Labour Benches that Dunfermline, east is on our target list. We are confident that the Prime Minister will be looking for a new job in the near future.

I am disappointed by the poor turnout for the debate, especially by those who usually barrack me from behind—Members from the Scottish National party. It is a serious matter that those who claim that they can run my country cannot even be bothered to turn up, and that they treat the topic of defence in such a casual manner. It is important that the message goes out to the people of Scotland that the SNP is not a serious party and is not interested in the defence of our country.

I welcome the Minister for the Armed Forces, who is now absent from his place. He has already been before the Defence Committee, and he was quite a contrast with his predecessor, who is rather like a Scottish terrier. The new Minister is entertaining and authoritative in his approach, and I welcome him to the Front Bench.

One week before I participated in a visit to Iraq earlier this year, a young man from my constituency passed away serving his country in Iraq. When I returned, I attended his funeral. The fact that a young man could pass away at the age of 21 serving his country brings home to all Members the importance of our job and the seriousness with which we should take defence matters.

I welcome the Prime Minister's announcement yesterday of a reduction in force levels in Iraq to 2,500 by next spring. That will give relief to our hard-pressed forces. However, I have concerns about the force protection for such a number. We have been advised that a much larger number is required. I would appreciate more information from the MOD about its figures on force protection.

The logical consequence of withdrawing from Basra palace is that we should withdraw from south-east Iraq altogether because, as the Prime Minister said yesterday, it was only once we withdrew from Basra palace that the situation became calm. We were part of the problem, not part of the solution. The logical conclusion is that we should withdraw from Iraq altogether, which is the position that the Liberal Democrats set out earlier this year. We were ridiculed for it, but the Government now seem to be following that advice. I hope that the Minister and the Prime Minister will reconsider that position.

*[Willie Rennie]*

Earlier this year, with a dramatic backdrop in Plymouth, the former Prime Minister set out a new vision for the defence of our country. He rightly praised the commitment of our armed forces and sought to differentiate between hard and soft power. He said that the UK had to play an active role in world security. Finally, he said that that

"will mean increased expenditure on equipment, personnel and the conditions of our armed forces".

He went on to say that we had to be

"willing to fight terrorism and pay the cost of that fight wherever it may be".

I am not sure that the 1.5 per cent. increase in real terms meets that commitment.

**Chris Ruane:** In 1997, the defence budget was about £22 billion. It has gone up to £37 billion. How much do the Liberal Democrats say it should go up to?

**Willie Rennie:** The hon. Gentleman will be relieved to hear that we are in not government, but we are not in possession of all the figures, as has been said many times today. *[Interruption.]* Members may groan, but the Ministry of Defence figures are opaque so it is very difficult to tell exactly where the money is going at any particular time. The most important thing is that we recognise that the Royal United Services Institute estimates that the defence budget is underfunded by £15 billion if it is to match the commitments set out by the former Prime Minister.

On many occasions I have spoken about the overstretch of our armed forces through commitments in Iraq and Afghanistan. Harmony guidelines are regularly breached for a large proportion of our soldiers. That is exacerbated by poor retention levels and often increases reliance on our reserves. It is a vicious cycle—fewer troops leads to over-use of those troops, which leads to a greater exodus, which leads to a greater reliance on ever-decreasing numbers. Defence planning assumptions have been breached for the past seven years at least. The over-commitment and under-resourcing has a dramatic effect on equipment as well. Little funding for new equipment results in greater reliance on old equipment, which is over-used in Iraq and Afghanistan. Heat and over-use leads to more breakdown, which leads to greater reliance on a smaller pool of equipment, and so on.

Although additional funding for urgent operational requirements is welcome, especially when it comes directly from the Treasury, the costs of maintaining that equipment in future years will have to be borne by the MOD budget, putting even more pressure on an already tight budget. Constantly shifting equipment programmes to the right and far into the distance is no longer sustainable, especially if the UK is to match the aspirations set out by the former Prime Minister in Plymouth.

UK defence spending compares well with that of our European partners, but it still does not match the commitments required by our foreign policy. RUSI estimates that current spending should increase from 2 per cent. of gross domestic product to 2. 5 per cent. of GDP to meet the former Prime Minister's objectives. I do not recall hearing the present Prime Minister objecting to the former Prime Minister's remarks in Plymouth. In fact, I remember him endorsing those remarks. If the opposite is the case, I should like to hear it. If not, I should like to see how the Government propose to fill the gap.

I was surprised that during the Minister's opening remarks, there was not one mention of Trident. After all, earlier this year, the former Prime Minister at the time told us that

"we cannot put this decision off; we have to take it now."—[*Official Report*, 14 March 2007; Vol. 458, c. 280.]

We were told earlier this year that this will be one of the UK's biggest construction projects, so why was no substantive mention made of it? Where is the report on the great progress that has been made on Trident since then? Why was it so urgent that we had to take the decision earlier this year?

**Linda Gilroy:** I believe that the hon. Gentleman visited Plymouth with the Select Committee on Defence, so he must surely have understood the urgent need to keep the skills base intact. I invite him to read the *Hansard* record of my speech tomorrow.

**Willie Rennie:** I am well aware of those arguments, but I would have thought that if this were such an important project, the Minister would have gone into great detail about the progress made.

**Mr. Bob Ainsworth:** The hon. Gentleman is right that I did not mention Trident in my remarks. Just a few months ago, there was a White Paper, a three-month consultation and a debate that took a decision on Trident. People are free to say what they like, but I did not think it necessary to comment on that when covering the range of defence procurement, given that the House had commented on it so comprehensively—at least, it had the opportunity to do so.

**Willie Rennie:** That surprises me, because this will be one of the biggest defence projects for a number of years and there was no mention of it in the Minister's speech. We suspected that the decision was taken more for political reasons: the former Prime Minister wishing to get the decision out of the way before the new Prime Minister came on board, thus keeping his hands clean—*[Interruption.]* The hon. Member for North Durham (Mr. Jones) suggests that that is exactly the case. I am sure that political imperatives, rather than industrial ones, drove the decision earlier this year.

I have previously expressed concerns about the support for small businesses in the defence sector. There is an over-reliance on multinationals, which can invest or disinvest in a country at the stroke of a pen. Small and medium-sized enterprises have a role to play, especially at the high-level, innovative end of the market, but many small businesses find it difficult to engage directly with the Ministry of Defence in whatever the contracting arrangements are and they are often unaware of the opportunities. When they take the precious time to discover those opportunities, they find the process extremely complicated and bureaucratic.

I welcome the encouragement of improved supply chain management of the primes. BAE Systems is one example of improvement in that regard. Adopting a more paternalistic relationship than simply squeezing out every last penny is often a much more constructive and long-term approach. Given the passing of the

Defence Diversification Agency, which had evolved into a body that supported small businesses, I would welcome an update on how the Government plan to support the engagement of small businesses in the defence sector. The national health service and the higher education sectors have specialist bodies that engage with small businesses and businesses in general, but what will happen in the defence sector?

**Chris Ruane:** Will the hon. Gentleman give way?

**Willie Rennie:** I am sorry, but I will not take any more interventions.

I understand that the UK may not have the capabilities to meet all our defence needs, but the defence industrial strategy adopts a tone of pessimism and defeatism. Sourcing on an international basis is healthy and will help to deliver value of money to the taxpayer, but the DIS appears to limit itself to exploring the existing capabilities rather than outlining what support and mechanisms can be provided to develop new ones. Our country's economic strategy should be built firmly on skills, science, research and development, and innovation, yet the DIS includes little innovation and more conservatism.

I have visited the United States twice this year. On both occasions, we lobbied on the hill for the advancing of technology transfer. We had a difficult job in convincing some Congressmen that this did not mean the transfer of jobs to the UK but a partnership that would benefit the armed forces of both countries. I welcome the new treaty that has been signed and the scrutiny in the House. We must ensure that the US understands the importance of this matter to us as well as the benefit to it.

I hope that Rosyth will be a significant beneficiary of the announcement on aircraft carriers made just before the recess, which was well received in Fife. Rosyth will play an important role in the final commissioning of these massive structures, which will be the biggest and most complex construction projects ever on the Forth, even compared with the iconic Forth bridge. We are looking forward to the massive increase in employment in Fife. Babcock is expected to increase its employee numbers from about 1,200 to 1,800 and other companies will also seek to increase their numbers locally.

Many issues remain unresolved, some of which I wish to raise today. First, how do we ensure that local people—this point was made earlier by the hon. Member for Glasgow, South-West (Mr. Davidson)—are given the skills fully to exploit the opportunities ahead, so that the effects of this massive project are felt long after the carriers sail down the Forth? I fear that instead of training local people to take these jobs now, companies will simply rely on transitory employees from elsewhere who will move to the next job when this one is complete.

I am in favour of the free movement of people—I am a liberal—and regard it as healthy rather than as a threat, but I am interested in ensuring that Fife retains a skill base that could be developed and in Fifers being able to take advantage of the opportunities. We are talking not just about a couple of big ships that need to be built, but about a long-term development opportunity for Fife. What are the Government doing to ensure that companies are fully engaged with local colleges and enterprise companies so that longer-term skills development is planned?

Secondly, I have heard the Minister responsible for defence procurement talk about the possibility of other countries awarding more contracts to UK yards if we get the carriers built on time and within budget. What engagement has there been? After the construction of the carriers, the Type 45 destroyers, the military afloat reach and sustainability project—the feast—there will be a famine. If we simply rely on the MOD orders to fill the books, we will struggle. What plans are there to fill the order books for the yards so that it is not just a boom-and-bust situation for Scottish yards and others? What is the longer-term strategy?

Thirdly, has the relationship with France been developed in respect of the carriers? We have not heard much about this since the announcement made in July. If so, what will the nature of that relationship be? The hon. Member for Plymouth, Sutton (Linda Gilroy) mentioned the Babcock takeover of Devonport Management Ltd. Having been opponents over the Trident contract, it is good that Rosyth and Devonport are coming together in a constructive partnership. I am sure that they will work better together and will also be a counterbalance to BAE Systems in the shipbuilding and refit industry.

I wish to return to a point made earlier about the Public Accounts Committee. It found that the MOD's 20 biggest weapons projects are £2.6 billion over budget and a total of 36 years behind schedule—that is six times longer than the second world war. Its report voices concerns about the massive scale of the cost overruns and delays and the MOD's failure to hold staff to account when things go wrong. The report is obviously damning and gives little confidence in the MOD's ability to manage these large projects. How has the Minister responded to this report, and what measures have he and the Department put in place to get things right?

7.58 pm

**Robert Key** (Salisbury) (Con): I apologise to the House, to the Minister for the Armed Forces and to my hon. Friend the Member for Woodspring (Dr. Fox) for missing most of the opening speeches. As the hon. Member for Plymouth, Sutton (Linda Gilroy) mentioned, she, the hon. Member for North Durham (Mr. Jones) and I were at a meeting to discuss coroners inquests and that is why we were delayed.

I decided to change the habit of a lifetime today by not concentrating on specific defence procurement issues that might affect my constituency and instead taking a broader view of defence procurement and why we need to do it at all. I should like to explain why, if I were Prime Minister, I would wish to double the defence budget over 10 years. Of course, that will not happen under any Government, but I should like to explain why we sometimes need to take a step back and think about why we have defence procurement at all. Is it a question of boys' toys or something rather more serious?

During the summer, I attended the funeral of a distinguished former war correspondent from the second world war, latterly a great expert on Nelson, who was the author of more than 20 books. One of those books was drawn to my attention, and I read it during the

*[Robert Key]*

recess. This remarkable book, which is called "East and West of Suez: the Retreat from Empire", was written by Tom Pocock in 1986. It talks of the great days of the British Navy and the 1953 Spithead review. He talks about the celebrations that took place:

"Foremost among them was to be the traditional naval review at Spithead off Portsmouth, when, tricked out with fluttering bunting and burnished brass and to the sound of bugles and saluting guns, the British displayed the realities of power. Two hundred warships of the Royal Navy lay at anchor, including the beautiful battleship *Vanguard* and seven aircraft carriers, while three hundred naval aircraft waited at airfields ashore to fly overhead as the royal yacht steamed between the long lines of grey ships."

He then points out that there was a lot of fighting between the defence chiefs:

"the Board of Admiralty was demanding a yet more generous share of the defence budget for research and development, aircraft production and ship-building. This brought them into conflict with the Air Council which was bidding for a force of long-range jet-powered bombers to drop the atomic bombs which were now being delivered to the RAF. The air marshals were allowed their bombers, which were to be called the Valiant, the Victor and the Vulcan and, collectively, the V-bombers, but the admirals were disappointed. True, eight aircraft carriers were under construction but work was proceeding slowly on three cruisers, which had been laid down about ten years before, and the Admiralty maintained that at least seventeen were needed."

Some might say those were the days, but the only reason why those things happened was that the British public—the electors—knew that they needed such a scale of armament and those procurement programmes. We seem to have forgotten all that in the intervening years. We tend to think of high-intensity conflict as a very important subject, but we do not actually think of what is needed. After all, the traditional reasons for going to war have changed dramatically. We are not looking after territorial advantage now, or aiming for territorial expansion. We are not setting up new empires around the world. We are far more interested in acquiring armoured vehicles, guns or aircraft—platforms, as we must now call them—and systems to go with them because we are more interested in homeland defence and security. We are no longer concerned with the threat of invading armies; we are more interested in cyber warfare. Peace enforcement is a crucial part of the operation of the forces, as is guarding against terrorism, and deterring and defeating it.

However, there is also the matter of our country's need for global trade and travel. That is what we have done for hundreds of years, it is a legacy of empire and Commonwealth, and it is very important today. Owing to the fact that 90 per cent. of our trade is carried out by ship, we need a long reach to protect that trade.

**Chris Ruane:** Will the hon. Gentleman give way?

**Robert Key:** No, I shall not give way at this stage.

We may no longer be quite so concerned with the Spratleys in the South China sea, and perhaps we should turn our attention more to the north-west passage and the implications for trade routes between China, Japan and Europe via the north of Canada resulting from climate change, and the international tensions that are building over that situation. However, we are talking about things that touch the lives of every citizen every day, but they do not realise it.

There are 16 or 17 Members of Parliament present for this debate, because the Whips have decided that there is not much legislative business and, as usual, have popped in a defence debate. I am very grateful to them for allowing us to have such a debate—it does not happen very often—but the House should be packed on such an occasion and it is not. Whether we are talking about importing Fairtrade bananas from the Windward islands, fridges from China, television sets from Taiwan or cars from Japan, we are talking about the need for a global reach to defend our trade, our standing of living, our quality of life, our influence in the world and the British national interest. That is what is at stake, which is why we still need to procure such very expensive systems. It is why we shall continue for a long time—indeed, for ever—to need an Army, a Navy and an Air Force. There is much loose talk around to the effect that we will not need an Air Force when we have unmanned aerial vehicles. We will. We shall need expertise to operate those platforms whether they are manned or not, and we shall need the Navy because we must have global reach to protect our British interests and our alliances around the world.

We will need an Army, of course, to help in the defence of the homeland, but also to ensure that we can project our standards of life, our morality and our ethical stance in the world, and so that we can look after humanitarian aid and carry out peace enforcement and peacekeeping as well as high-intensity warfare when the need arises. If we can explain that to the taxpayer—indeed, if we could explain it to the Chancellor of the Exchequer, the shadow Chancellor and the 620 Members of Parliament who are not here—the defence budget might rise up the political agenda, and more people might share my view that, over a 10-year period, we should in the national interest double the defence budget.

The usual suspects from all parties are debating, with great expertise, the need to hold the Government to account on the issue of particular procurement programmes, but that misses the main point: in a democracy such as ours—an international country—that is at the cutting edge of military capability, we still need to persuade the taxpayer that procurement matters. For people to go to Tesco, the Navy, Army and the Air Force must ensure that all the products can get there and be safe once they do so. It is as simple as that. However, we do not make that effort.

The Defence Committee has spent six months going to all the major NATO countries—it is off to Georgia and Turkey next week—and they all say that the public are not prepared to pay. The American public are prepared. The British public pay for more than anyone else in Europe, but other nations apparently do not think that that is important. It is important, and we need to convince the taxpayer of that, not by obscure arguments about whether one version of FRES is better than another or about who will win the contract for the next big order, but in relation to where the national, personal and family interests lie in having the best equipment and the best conditions for armed services personnel. If we can argue the case in such a way, the British taxpayer will realise its relevance, and then the Chancellor of the Exchequer and the shadow Chancellor might agree that we should double the defence budget over a 10-year period.

8.7 pm

**Mr. Douglas Carswell** (Harwich) (Con): It is a great privilege to follow the hon. Member for Salisbury (Robert Key), who spoke so eloquently. He dwelt on slightly bigger themes, and I shall try to make various points in a similar vein.

The UK spends £32 billion a year on defence—2.5 per cent. of our GDP. That might be half the proportion of the mid-1980s, but in gross terms it is the fifth highest such spend in the world. It should be enough to maintain a substantial force, but we struggle. Our defence procurement system is not good at turning tax pounds into the equipment our armed forces need. Bluntly, the UK's defence procurement budget is spent more in the interests of a few privileged defence contractors than it is in the interests of our armed forces. An ineffective Ministry of Defence pays wildly high prices for kit that it suits the contractor to provide. The MOD pays double, or even triple the price, for what are often inferior products. I could talk at length about the catalogue of incompetence, but I shall confine my comments to helicopter procurement.

Sensibly, a decision was made to buy Apache helicopters, which are a good piece of American kit. However, in order to preserve jobs, or perhaps award large contracts to privileged suppliers, it was decided to assemble them in the UK. The cost of that protectionism has been vast, and is still being paid in Afghanistan today. Our UK-assembled Apaches cost approximately £40 million each—three times what the Israelis paid for theirs. Worse, by not buying directly off the shelf, we have ensured that only a handful of Apaches can serve in Helmand. Parts from the unused fleet in the west country are being cannibalised to keep our few Apaches in Helmand airborne. If we had bought directly from Boeing, we would have more Apaches—more of those decisive, battle-winning weapons—in Afghanistan.

I say to those who perceive defence procurement as an exercise in job creation rather than war winning that, if we had bought directly from Boeing, we could have given the 755 employees of Agusta £1 million each and still saved £1 billion. As a job preservation scheme, such protectionism was ludicrous.

Protectionism also explains why our armed forces do not have enough transport helicopters. The Ministry of Defence placed a £1 billion order for the new Lynx at £14 million each. The problem is that they will not be ready for several years. When I was at the air base in Kandahar, I saw an ancient, grounded Lynx, which the new Lynx is supposed to replace. It was designed for the cold war and is simply not operating in Afghanistan as it should. Next to it, I saw row after row of unused United States Black Hawks. They would cost only £6 million each and could be available in months if only we were not so protectionist. Thanks to the Ministry of Defence, we spend twice as much on buying an inferior helicopter, which will not be available for years, from an Italian company. Similar points could be made about Merlin and the Chinook.

Not only the taxpayer pays the price for that decision. In Iraq and Afghanistan, helicopters save lives. Every helicopter means fewer road journeys, fewer targets for improvised explosive devices, fewer bombed and broken troop carriers and fewer casualties. We pay a high price for the protectionist defence procurement policy.

Thanks to our relationship with Finmeccanica, we do not have enough helicopters. When Brigadier Ed Butler arrived back from Afghanistan, he was asked what piece of equipment he most needed. "Helicopters", he said. I do not recall his specifying that they had to be built by Finmeccanica.

The defence industrial strategy claims to be about providing the armed forces with the equipment that they require on time, and at best value for money for the taxpayer, but saying it does not make it so. The defence industrial strategy is based on the flawed premise that we need sovereignty of supply. That is lobbyist speak for, "The defence procurement budget must go to a privileged few." Sovereignty of supply is a superficially attractive argument, but it is idiotic, not patriotic.

The premise is flawed because one simply cannot buy an exclusively British jet fighter, helicopter or missile; such equipment is too sophisticated. Sovereignty of supply is an argument for protectionism. One might as well argue that the UK needs self-sufficiency in food production. Doubtless it could be done with a massive protectionist effort. Doubtless a case could be made that, if we did not become self-sufficient, we could be starved out. However, most people recognise that that does not wash. For centuries, we have imported food—and provisions for our armed forces.

In what sense are the privileged few companies from which we are obliged to buy our defence kit British? Is Finmeccanica, maker of the new Lynx, British? Now that BAE has sold off Airbus, in what sense does awarding Airbus the £2.5 billion contract to deliver the A400M transport planes preserve British jobs? With so many contracts outside the UK, why continue to treat BAE as a British company?

The sovereignty of supply argument is about preserving the privileged status of a tiny handful of defence contractors. The defence industrial strategy is about maintaining a guarantee that some contractors will have a permanent income stream from British taxpayers. It is no surprise that the biggest supporter of the defence industrial strategy is BAE.

Protectionism and the defence industrial strategy are wrong not because other companies cannot get a fair crack at supplying business but because our armed forces do not get the equipment that they need when they need it. It is not patriotic, but idiotic.

The farce continues because there is no effective accountability for defence procurement. As an aspect of public policy, it is no longer settled by those whom we can elect at the ballot box. Regardless of which Member of Parliament is the departmental mouthpiece, the defence contractors get the contracts that they want and our armed forces do not get the kit that they need. Civil servants escape censure for monumental inefficiencies; the Member of Parliament who happens to serve as the departmental mouthpiece loyally and faithfully recites the line that Sir Humphrey gives him. Remote officials make the decisions and our armed forces take the rap. No one is accountable and no one is sacked. That is how our defence procurement works today.

I have tried tabling parliamentary questions about the Ministry of Defence's appalling decisions in the interests of what I believe to be a few select contractors. Sir Humphrey has cited commercial confidentiality to

*[Mr. Douglas Carswell]*

avoid revealing the truth. I know from first-hand conversations with officials that the competitive procurement process for the new Lynx took place in name only. The process was made to fit the outcome. Yet, unlike our armed forces in Afghanistan, senior officials in the Ministry of Defence can simply avoid the consequences of the appalling failure.

In the House, it has become the Table Office's default setting to refuse to accept questions about BAE and its Saudi dealings, despite the existence of sufficient evidence to warrant such legitimate questions.

While Members of the legislature are no longer able to hold the Executive to account, a sophisticated lobbying exercise aims at shutting down the debate. How many Members of Parliament who, like me, have taken part in the armed forces parliamentary scheme know that it is funded by the same contractors as the defence industrial strategy privileges? I suspect that the answer is not many, because the armed forces parliamentary scheme refuses to open the books.

I raised the subject of defence contracts and procurement after my visit to Afghanistan and I was directly pressurised by the organisers of the armed forces parliamentary scheme for asking such questions. Without accountability, the defence industrial strategy will remain unchallenged. Its retention will maintain the near monopoly of BAE and a handful of others. As long as BAE remains the monopoly supplier, we will not get value for money. For all the management consultant speak about smart procurement and through-life contracts, basic economic literacy shows that, in defence as elsewhere, a near monopoly provider means that the buyer gets a poor deal. When there is a constraint on supply, the seller sets the terms of trade.

Recently, BAE was handed another £124 million contract to build an unmanned aerial vehicle that we should have bought off the shelf. If one is in Helmand and one needs a UAV that works, one does not care where it is built.

We do not merely need to buy off the shelf; we need to break the monopoly of the few suppliers. If we did that, we might buy the kit that we need instead of waiting until BAE is ready to supply what it is willing to provide. We might supply our armed forces with the best kit available. If we did that, we might well have less outmoded kit—fewer anti-Soviet tanks, less submarine-hunting kit, fewer Eurofighters to defend the skies over the north German plain, fewer old-style frigates ready to take on the communist navy in the north Atlantic—and more of the kit that our armed forces need to fight the wars to which we send them.

Finally, I salute Lewis Page, the author and journalist, who has grasped what so few Labour Members have understood.

8.18 pm

**Mr. Richard Benyon** (Newbury) (Con): It is a great pleasure to follow my hon. Friend the Member for Harwich (Mr. Carswell), whose thoughts and forthright contribution to the debate will doubtless have been heard on the Treasury Bench and in the Civil Service Box.

Before reaching the main body of my remarks, I want to comment on a theme that my hon. Friend the Member for Reigate (Mr. Blunt) raised in a passionate speech, and put on record my admiration for so many units of our armed forces that have performed so magnificently in Iraq and Afghanistan. I want to pay special tribute to the 4 Rifles Battle Group and Colonel Patrick Sanders, its commanding officer, who gave one of the most moving eulogies on youth when he spoke of the courage and valour that young men and women are showing in theatres today. Many people outside the House do not fully grasp that those people are every bit as brave and courageous as their grandparents and great-grandparents were. We should be proud of that, and it is a theme that my hon. Friend the Member for Mid-Sussex (Mr. Soames) developed.

I hope that the Minister will take on board the point that my hon. Friend made about the sometimes leaden approach of the Ministry of Defence, particularly by those responsible for the media unit, who sometimes sing a very different tune from, for example, the one that the Minister sang in his welcome words of support for Help for Heroes, a charity of which I shall be honoured to be a trustee. I hope that the Minister will convey his view to those who are sometimes obstructive. I speak from personal experience, as someone who successfully managed to arrange a day out at Newbury races for wounded armed servicemen. I came up against the media unit at the Ministry of Defence and, frankly, I found it pretty obstructive. The unit let the servicemen go, but it was no mean battle.

I also pay tribute to the mayor of Newbury, who is an excellent man. He has taken up Sir Richard Dannatt's invitation to pay tribute to our local regiment, the Royal Engineers, by giving a reception. His attitude contrasts with that of the leader of Newbury town council, who said that he wanted nothing to do with the occasion because he did not support the war in Iraq. I cannot condemn enough the failure to make the not-too-intellectual leap of separating whatever one might think about our deployments in Afghanistan and Iraq and paying tribute to our armed forces. I hope that the views of the leader of Newbury town council will be treated with the contempt that they deserve.

The main theme of my speech was also touched upon by my hon. Friend—the extraordinary decision to axe the Defence Export Services Organisation. One of the great success stories in the past 40 years has been the joint working between Government and industry to co-ordinate and support our defence exports. DESO is a child of Labour. It was created by Denis Healey in 1966 and is the envy of the world. It has contributed to our being second to the United States in defence exports. We have to ask not only why the decision was taken, but why it was done in such a cack-handed and arbitrary fashion.

We know that the decision was taken by the Prime Minister. He produced a statement to Parliament on the day Parliament rose for the summer recess. I have a minute from the DESO team briefing on 29 August, at which the second permanent under-secretary said:

"The Prime Minister's decision had been unexpected".

I should say so, when I can show clearly the level of unpreparedness across government, as they sought to cope with a decision that was kept so close to the Prime

Minister's inner circle. What consultation took place across the Government when the decision was taken? Was the Secretary of State informed? Was Lord Drayson informed? Was Lord Jones informed—the former Digby Jones, who as the Minister responsible for UK Trade and Investment will, we are led to believe, take responsibility for whatever emerges from the debacle? He has been quoted in the industry press as saying that the decision was bonkers. He needs to convey that clearly to the Prime Minister.

DESO employs—or did—around 250 people. In defence terms, it costs a paltry £16 million a year and supports and co-ordinates exports worth £500 million to our balance of payments. DESO is the envy of the world and is being copied by countries that want to emulate our success in defence exports. It is worth looking briefly at what exactly happened. The night before the statement was presented to Parliament and the staff at DESO were informed, the permanent under-secretary was summoned to No. 10 Downing street, where the Prime Minister informed him that the decision had been made to axe DESO. The permanent under-secretary informed the outgoing director of DESO, who got the staff together the next morning so that the permanent under-secretary could tell them the bad news. The director of DESO then said the memorable words—I might not be quoting him exactly—"Well, ladies and gentlemen, I think it's time that you went and started looking for jobs". Many of them have: I am told that more than 30—the brightest and the best—have already been employed by companies up and down the country.

Interestingly, the Ministry of Defence produced an internal question and answer sheet for employees about what the arrangements will be. The answer to the question,

"Will staff be forced to transfer with their posts to UKTI?"

was:

"How UKTI will manage their responsibility for defence trade promotion remains to be decided."

The answer to

"Where will the transferred staff be located…?"

was:

"To be decided."

The answer to

"Where will those who remain in MoD go to, and where will they be located…?"

was that

"this will have to be worked out in the implementation planning phase."

Finally, the answer to

"Will staff transfer to UKTI on the same terms and conditions as they have now?"

was, again, that that will have to be

"worked out during the implementation planning phase."

So, nobody knows how many people are going to be transferred to the new arrangement, where they will work, under what terms and conditions they will be working or what they will be doing.

Most importantly—I hope that the Minister really grasps this—the answer to the question,

"Will there continue to be a role for the military staff?"

was:

"To be decided."

The answer to

"What will happen to the (Army) Export Support Team?"

was:

"Again, to be decided."

The answer to

"What will happen to the DESO First Secretaries overseas…?"

was:

"To be decided."

The replies to all those questions show a disgraceful unpreparedness across Government for how an important part of our economy and hundreds and thousands of jobs in this country could be affected.

Many companies in our constituencies are affected—I am not just talking about the big ones such as BAE Systems, but small companies that might have to go abroad to an area that they do not know. The first port of call for such companies will be the mission, where they will find the DESO representative. He will say to them, "Right, this is the environment you need to be aware of, these are the people you need to talk to, this is how we do business in this country." The customers out there will want to know that those companies have the imprimatur of the Government. In particular, they will want to see uniformed service personnel involved in the negotiations for contracts, yet we do not even know what is going to happen to those uniformed personnel.

It is also worth considering what the effect has been in the industry. I have a letter to the Prime Minister from Mike Turner, the chief executive of BAE Systems, in which he expresses his great disappointment about

"the complete lack of consultation with the industry stakeholders."

In a telling remark, he continues:

"I can think of no benefit that 'synergy' with UK T and I can offer that can begin to outweigh the lost excellence of the DESO operation."

The chief executive of Thales wrote:

"The link that DESO has provided, both in practical terms and symbolically, with MoD and the Armed Forces has been an important part of the defence side of that export success story."

It is now gone—finished.

The most telling letter to come into my hands was from the high commissioner to Australia—someone well known to this Government—Mrs. Helen Liddell. In her letter to Lord Jones—Digby Jones—she clearly sets out the value of the operation run from the missions and how it works in countries that purchase defence goods from Britain. She says:

"It takes a particular level of experience and knowledge to discuss in detail the kind of kit we sell with men and women who are likely to be commanders in the field. To be blunt, what Australia buys is a relationship".

I believe that this Prime Minister has put that relationship in jeopardy. Mrs. Liddell finishes her letter by saying:

"Incidentally, Australia is currently setting up their own version of DESO, and we hear that France is likely to go the same way!"

We need to see the replies to those letters, from the Prime Minister and from Lord Jones, and the replies need to be public documents because they relate directly to the decision that the Prime Minister took.

*[Mr. Richard Benyon]*

Why did the Prime Minister take that decision? Was it to appease a group of MPs for whom defence exports are an evil? I would love to have the time to debate that issue with them here and now, but I do not. One of the rumours going round Whitehall is that it was to appease an individual or a group of individuals in his inner circle. I would suggest, however, that this was a typical new Labour cock-up: there are a few negatives out there, BAE Systems and the al-Yamamah project—what shall we do? We should do something dramatic, then we can park it. If anyone raises defence exports, we can say, "Look, this is what we've done." Of course, al-Yamamah and anything else to do with Saudi Arabia is dealt with by the MOD Saudi Arabia project; it has nothing to do with DESO. But that does not matter; it is on the spin grid, and the Government have something that they can say.

Then the Government had to row back, and to create a new environment with UK Trade and Investment. We are losing expertise from DESO and losing respect from customers elsewhere in the world. There are questions that need to be answered. Which Ministers were informed of this decision, and when? Why was there no consultation with the industry? Why was there no preparedness across Government on this important issue? The replies to those questions should be put in the public domain.

I shall conclude by quoting *Jane's Defence Weekly* of 15 August. The very cutting article entitled "UK could pay a high price for cost cutting" stated that

"it is a bad decision and one that will...severely damage the UK and particularly the one remaining export-led industry where the nation can be considered an international leader and hold its head high. One thing is for certain: the Australian, French, German, Israeli, Russian and US governments that are seeking to emulate DESO's success will be delighted by the Brown announcement."

I could not have put it better myself.

8.31 pm

**Mr. Ben Wallace** (Lancaster and Wyre) (Con): I start by paying tribute to the armed forces who, as we speak in today's debate, are serving on Britain's behalf across the world. No one has any idea of the level of operations that they are engaged in today; it is probably a level that has not been seen since the second world war. That has a tremendous impact on the lives of the individual soldiers and their families, on their equipment, and, indeed, on the collective psyche of the armed forces. We should not underestimate that what they are doing now—whether it all finishes next year in Iraq or whether it finishes in Afghanistan in 10 years—will live with us for decades to come. It will live with us in their families, and in the equipment that we will have to replace. It will also live with the taxpayer and the electorate; as my hon. Friend the Member for Salisbury (Robert Key) rightly pointed out, they will have to recognise and contribute to this effort, through the ballot box perhaps, as part of the responsibility that they hold towards our armed forces.

It is absolutely right that we should have this debate today. Defence procurement is always an ongoing subject, and we should not push it aside and make it an add-on to the Ministry of Defence. If we get it wrong, it can shape our military doctrine for the future—rightly or wrongly—and leave many of our troops with the wrong equipment in the wrong place.

Defence procurement is a misunderstood subject. It often gets a bad press, involving the use of terms such as "overspend" and "late delivery". However, the story of the small defence contracts and procurement processes going on every day—whether through urgent operational requirements or planned projects—that are delivered on time and on budget, and greatly welcomed by our armed forces, often goes untold. Yes, the large projects get a bad press. However, I was the overseas director of QinetiQ before coming into the House, and a soldier before that, and in my experience, delays in defence procurement are often the fault of the politicians of the day interfering because they feel that something needs to change, or of a strategic defence review of the threat to our forces resulting in the doctrine changing direction. Those factors inevitably have a cost impact. We should remember that they often arise for the right reasons, but they do cost money.

The other thing is that we need to lance a few of the boils that we hear about in connection with defence procurement. One is obviously the great "off the shelf" argument that my hon. Friend the Member for Harwich (Mr. Carswell) referred to. According to that argument, it is easy to nip down to Battersea heliport and procure a few helicopters for our armed forces. However, procuring a helicopter from wherever we can get it is of course not the whole story. In fact, it is probably only about 10 per cent. of the story. First, we have to see whether the helicopter can actually take the weapons systems that we want to put on it to protect it. Then we have to ensure that the helicopter has the guidance systems suitable for the interoperability needs of our armed forces. There is no point putting on to a helicopter a compass or a radar system that is fit for the armed forces of the US, the Australians or the Germans.

There is an interesting anecdote here. The US exported a number of F-22s to be stationed and used in Japan. The problem was that the GPS system did not recognise the international dateline, so half way through flying across the Pacific to get to Japan, the planes had to turn back and have the whole system reprogrammed. We have to ensure that our equipment fits our needs and our doctrines. We have to recognise that helicopters bought off the shelf might not fit the configuration of our platoons, which might carry more or less equipment than the host nation from which we buy the helicopters. The deployment of our soldiers into more hostile areas may mean that our helicopters need more protection. That takes time.

In the case of the Apache, for example, it is totally misleading to say that if we were to buy from the US, all would be well. Let us remember that we buy from other countries and we wait in line. Why should the US say, "Oh, don't worry, UK, you can jump the queue with the Apaches"? Just tell the US marine corps, a much larger customer, that it can wait for its 500 helicopters! We would probably be told to come back in two or three years.

**Ann Winterton:** This is not about helicopters; it is about the delivery of the Mastiff. I suspect that the US has ordered nearly 3,000 of them, yet we are going to

get ours fairly quickly, as we did with the previous 100. Sometimes it is possible to reach an accommodation in order to jump the queue.

**Mr. Wallace:** I am grateful, but my understanding of the Mastiff project is that it has been delivered because we put some of the assembly and final production in the UK. My hon. Friend the Member for Harwich objected earlier that we should not manufacture or produce in the UK unless necessary. Mastiff has been a successful procurement, delivered on time, but that was partly because the US had the force level required at the time in Afghanistan.

Another example is the FRES programme. Production of serious and complicated large bits of equipment does not happen every day. Production lines are not running all the time all over the world, churning out armoured personnel carriers. In fact, I believe that at the moment there are only two production lines in the west where armoured vehicles are being made. One is in Switzerland—General Dynamics—and there is another plant in Canada. The Vickers plant in Newcastle is not doing that job.

This is not like buying a mini or a car from Volkswagen. There are no production lines that just carry on through the years and the decades. They come together, produce the order, and very often, if the export sales cannot be found, they stop. People should remember that when they say, "We don't need a FRES. Let's just buy them off the shelf." There are only two production lines capable of producing what we want; they are not in our possession at the moment and we do not have the ability to deliver. Secondly, there are no alternatives to what we want to fit into our military doctrine, so pulling off the shelf would not solve that problem. If we do not sometimes—not necessarily always—develop and make our own weapons systems, we do not have the ability to resell them or to generate income to share the development costs and perhaps profit from them. One of the most successful artillery pieces in the world is made by BAE Systems in Barrow. The British do not buy it, but it is incredibly profitable because it spreads the cost across the world. Should we decide to buy it, the unit cost would be very cheap.

What is more, our defence no longer uses the technology of 1945; its technology is highly complex. One of the reasons why we have smaller forces is the punch that our platforms can now give. They need source codes, for example, and the ability to service and upgrade throughout their lives. That means that we need control. Those who buy off the shelf may get their equipment cheap up-front, but the equipment must last for 30 or 40 years, and when it comes to an urgent operational requirement, Boeing will be waiting with a big fat invoice, and we will not have a skills base.

It is misleading to suggest that security of supply is protectionism. I am slightly older than I look, and I remember when the Belgians did not want to give us ammunition during the 1982 Falklands conflict.

**Mr. Gerald Howarth:** The Belgians refused to sell us ammunition.

**Mr. Wallace:** I think we might have learnt our lesson: the Belgians would never really come to our rescue.

Security of supply is not protectionism, although of course protectionism exists. It is important to national security—and yes, jobs are important. Defence procurement, and Government procurement, are not a fantasy or dream of the capitalist world, because there is not a level playing field in most countries. As overseas director at QinetiQ, I regularly came up against other European or United States defence contractors. I can tell the House that the British defence market is the most open, probably the most transparent and probably the fairest in the world—and we do not get much thanks for that from our competitors. If we let it all go, we will have very little security of supply and very little ability to develop our own way of thinking.

People say that we will all be allies together. Will we? We have already diverged from a number of our European allies, in the most recent Iraq war. We should not forget that countries such as China and Iran that could become our rivals—I think that a more civilised term than "enemies"—are procuring and spending as if there were no tomorrow. We must always anticipate whatever threats are around the corner.

The reason why we can produce the UOR—urgent operations requirement—equipment that saves British lives every day is the skill base that we have here, at home. When people say that it was possible to protect the Warrior from the RPG29 or from some other threat, it generally turns out that it was done by means of a telephone call to some of our engineers in what is often little more than a shed. In the greatest British tradition, the engineers came up with the ideas and the equipment was on the front line within days or weeks. That capability is something that we should not give away.

I want to record my appreciation of what Lord Drayson has done. I believe that, as a procurement Minister, he has done an awful lot of good in putting Ministry of Defence procurement on the right track. However, I feel that there have been a few weaknesses in today's debate. I was disappointed by the Minister's opening speech. There are many big questions to be answered about the joint strike fighter, the third tranche of Typhoon and the update of the air tanker: where is it? There is also the question of the Defence Export Services Organisation, which my hon. Friend the Member for Newbury (Mr. Benyon) rightly raised. I used DESO in my business. It was excellent, and if we lose that expertise, British defence industry—small or big—will be the worse for it.

If anyone wants to know the difference between DESO and the DTI, let me explain that in my sector we used to call the DTI "Deter Trade International". Its ability to secure straight answers, quick decisions and a knowledge of the market was as far removed from that of DESO as chalk is from cheese.

I was amazed that the Minister did not mention the defence trade co-operation treaty. That treaty, between the United Kingdom and the United States, was laid before the House two weeks ago yesterday, and is incredibly important to the United Kingdom defence industry and the United Kingdom and United States armed forces. It is about our sharing with our closest ally technologies that save our soldiers' lives every day. That treaty is sitting on the table, but it has not been mentioned.

*[Mr. Wallace]*

A week and a half ago, I was in Washington to speak to senators and ensure that American protectionism did not block the treaty. My hon. Friend the Member for Harwich has talked of public accountability for defence procurement—and if he wants to see how that can go badly wrong, I suggest that he take a trip to Congress and see how pork-barrel politics often destroys a cohesive defence doctrine in the Pentagon. It is an important lesson. We as politicians and the Ministry of Defence can take long-term defence procurement decisions in the national interest without being too hamstrung by elections every other year.

**Mr. Blunt:** I understand that we lost the TRACER—tactical reconnaissance armoured combat equipment requirement—programme because a congressional sub-committee put a line through the programme in Congress, against the wishes of the Pentagon. I entirely agree with my hon. Friend about the consequences of doing business with the United States.

**Mr. Wallace:** My hon. Friend is correct. I think that a recent United States defence budget had 9,000 tags, or attachments, when it went through the appropriations committee; members of Congress were deciding that their naval base needed a new set of front gates, and the ejector seat for the new aircraft should be cancelled. That is not the way to go about it.

We needed some clear answers from the Minister. The debate is about procurement. There were many opportunities for him to update us. The fact that he missed out the defence trade co-operation treaty is important. Inevitably, it will come before the House for a vote. This might have been an opportunity to flag it up. I want to place on record my appreciation of the work of Andrew Radford and the British embassy in Washington. He has done an amazing job in negotiating that treaty with the US State Department. It is a very good document. I hope that the House will support it when it goes through. It is good news for us and for the US.

I will watch carefully how the hon. Member for Grantham and Stamford (Mr. Davies) votes, given his remarks about the European defence market. Surely he will be against such a treaty. We will watch how his new party welcomes him through the Lobby. We will see how long that view of European defence lasts.

We could use some good examples from the future rapid effect system about how we need to push forward. I am worried about FRES. It started with a weight requirement of 17 tonnes and the No. 1 priority of being air-mobile and of being able to go back in the A400M. The weight requirement has recently changed: it is now up to 27 tonnes. In our procurement of the A400M, we seek a lift capability of only 26 tonnes. The Germans have gone for 30. Currently, therefore, we could be on course to lose that air mobility. Another thing about FRES could have been clarified. It was supposed to be manufactured in the United Kingdom. That was one of the main issues.

If the FRES project means that our vehicles can no longer be air-mobile, we may have to get into the realms of answering the question: what will the Conservatives do when it comes to finding money for defence projects? There was the mess of spending £190 million on the TRACER programme and the multi-role armoured vehicle project from 1998. That was just a waste. Two projects—one a United States project and one a European consortium project—have been cancelled, and it has cost the taxpayer £190 million. Perhaps we could talk about the mistakes made with the SA80 rifle, or the brand-new chairs for the MOD headquarters. There are examples within the MOD budget that show a woeful lack of accounting. That could be improved.

As an ex-guardsman, I know this is minor, but we spend money looking for replacements of bearskins to satisfy one politically correct lobby or another. Most bearskins have lasted for 100 years. We do not need to scout around for artificial replacements at the cost of hundreds of pounds, which we would no doubt have to find elsewhere.

We were looking for answers today, and I am disappointed that we have not really had them. One answer that I would like from the Minister now is whether we will commit to the blue force tracking programme in the United States, to ensure that friendly fire incidents between our allies and ourselves are minimised as soon as possible.

8.49 pm

**Mr. Ian Davidson** (Glasgow, South-West) (Lab/Co-op): I wish to speak about shipbuilding, the aircraft carrier order and how we proceed from the position that we are in at the moment. I used the opportunity earlier to intervene. I would like the Minister to come back and tell me what steps the MOD intends to take to ensure that the structure of the aircraft carrier ordering programme is devised in such a way that opportunities for subcontracting are maximised, so that local firms in the areas of the yards involved are able to participate. We do not want the subcontract blocks to be so large that local firms cannot tender for work and it therefore has to go abroad.

Similarly, I hope that the Ministry of Defence will work in Scotland with local colleges and Scottish Enterprise in its various manifestations to ensure that, across the country, adequate training is provided for both adults and youngsters so that we maximise the number of people taken into employment in the shipyards and the subcontracting industries, rather than simply having imported labour. We are worried about the skills shortage in the west and east of Scotland and we do not want the jobs simply to be filled by immigrants from eastern Europe or elsewhere. The Prime Minister has spoken of British jobs for British workers; I want these jobs to go to people who are currently unemployed or under-trained, and we now have an opportunity to focus on achieving that.

**Robert Key:** What hope is there of the hon. Gentleman achieving that aspiration if the Scottish National party is in control, none of whose Members are present for this major defence debate? It will control what happens in Scotland—and kick out the forces, as far as we can tell. That is a tragedy, and I hope very much that he will persuade his electors to re-elect him.

**Mr. Davidson:** I thank the hon. Gentleman; if I am looking for speakers to support me I might consider

inviting him—although, given the Conservatives' record in Scotland, I might hold back from doing so. However, I take his comments in the spirit in which he intended them.

We will have a robust discussion in Scotland about whether the Scottish nationalist-led Scottish Executive are prepared to put the necessary money into training to ensure that industries such as defence, which depend on the UK Government for their orders, are adequately staffed and provided for. That will be one of the most important political debates in Scotland over the next year or so, and I intend to participate in it. I have done all that I can to ensure that my constituents are aware that the placing of the orders for the aircraft carriers has come about as a result of Scotland's membership of the United Kingdom. My constituents are under no illusions. If there were an independent Scottish navy, it would not be ordering two aircraft carriers on its own.

Let me return to the thrust of my remarks. The MOD has been working constructively and positively with the shipbuilding industry to try to provide a degree of forward planning to ensure that we avoid the peaks and troughs of demand that have caused such havoc in the lives of many of that industry's work force, who have had to be repeatedly laid off and then rehired. When skilled staff in industries such as shipbuilding get laid off, many of them find other jobs and never return. We cannot simply turn such a labour force on and off like a tap.

Given that context, I particularly welcome the Government's commitment in principle that the peaks and troughs in the shipbuilding orders for the frigates and aircraft carriers will be evened out by sequencing the placement of the MARS programme—the military afloat reach and sustainability fleet tanker programme—and making sure that it meshes in. I was therefore extremely concerned when representatives of the industry informed me that the MARS commercial manager recently wrote to a number of suppliers suggesting that it was the Government's intention that the fleet tanker programme should be progressed under the EC public procurement regulations. If that were to happen, and if the competition for the fleet tankers were to be open to European companies, it would presumably go to the lowest bidder, and therefore the opportunity that we have to adjust the timing of the flow of work through the shipyards to take account of peaks and troughs would be lost. We ought at the very least to delay that until the forthcoming MARS industry day has taken place on 24 October.

In the longer term, we should delay the programme until such time as we are able to ascertain exactly what the shipyards' flow of work under the aircraft carrier order will be. As I understand it, simply to issue an advert for the procurement process through the *Official Journal of the European Union* would commit us to that process at an early stage. We would not then be able to claw it back.

I hope that the Minister can clarify an issue for me in this debate, or subsequently by letter; I am not clear about it at the moment. Does the requirement to conduct the programme under EC regulations stem from an assessment by the Ministry of Defence that the vessels are outside the scope of war-like equipments that can be exempted from the EU procurement process under article 296 of the treaties that established the European Union?

In the past, we have argued that, in some circumstances, vessels should be designated "grey ships" and therefore not have to go down the open procurement route. Given what the specification for the ships is likely to be, it is my view that they clearly fall under that exemption and that the MOD is therefore not required to go for open procurement. As I understand it, the range of military capabilities and standards detailed in article 296 is substantial. There is a classification against Lloyd's register naval ship rules, rather than merchant ship rules. There is a specification about naval helicopter operating, support and maintenance facilities and one in respect of secure military communications systems, which will be in the contract. There will also have to be naval-replenishment-at-sea equipment, and firefighting and security arrangements that exceed merchant navy practice. Similarly, there will have to be manoeuvring, stability and sea-keeping requirements in excess of merchant standards.

All that makes me believe that it is not necessary for the MOD to go to European open procurement. Also involved will be the ability to transit out of nuclear, biological and chemical contamination areas, having survivability, vulnerability and shock standards in excess of commercial standards and having operating patterns with warships. Such patterns would inevitably put the vessels in harm's way.

In such circumstances, how can the MOD say that those are not military ships and are eligible to be put out for open procurement? I want the Minister to be clear about whether the MOD has thought through what the consequences of such open ordering might be. If the prime contract were won by a foreign supplier, it is entirely likely that that supplier would use its own supply chain. That would cut directly across the MOD programme to develop British supply chains in shipbuilding and elsewhere. I find it difficult to believe that the MOD would draw up a specification that gave the prime contracting role to a foreign supplier, yet not allow that supplier to choose its own sub-suppliers. If the supply chain were dictated from the United Kingdom, that would be a recipe for chaos, with a different prime supplier not using its normal supply routes. I hope that the Ministry of Defence and the Minister will consider the whole issue again.

Finally, on behalf of the trade union movement in the yards of my constituency and elsewhere, I pay tribute to the excellent work that Lord Drayson has done. He has established a relationship with the trade unions far better than those of many of his predecessors, largely because he has been consistently open and straightforward with them. They genuinely believe that they can trust him; it has to be said that they are not always happy with what he tells them, but they have always accepted that he is simply giving it to them straight. Similarly, I have found him to be somebody with whom it is a pleasure to deal. As many Members know, when it comes to reform of the House of Lords, I am in favour of the "one Lord, one lamp post" solution. However, I want it made clear that that would not all happen simultaneously and would be done in tranches. Lord Drayson would certainly be towards the end of that queue.

*[Mr. Davidson]*

I hope that the Minister will be able to give me satisfaction on the points that I have made, if not today, then subsequently in writing.

8.59 pm

**Mr. Gerald Howarth** (Aldershot) (Con): This has been a very interesting debate, with contributions from nine regulars. Seven of them were Opposition Members, and the two from the Government Benches comprised one turncoat and one reservist—the latter being the hon. Member for Glasgow, South-West (Mr. Davidson), who has just spoken. I pay him a warm tribute for the support that he has given to the defence industry, especially shipbuilding. At the risk of damaging his prospects at the next election, I can tell him that I strongly support his line on the euro, a subject about which he and I have privately made common cause.

My hon. Friend the Member for Salisbury (Robert Key) was right to say that the House should be packed for a debate such as this, as it deals with matters that are vital for all our constituents and for everyone in these islands. It is very disappointing that, although my hon. Friend the shadow Secretary of State for Defence was able to attend, the Secretary of State himself unfortunately was not. I presume that the right hon. Gentleman was attending to a greater priority—that is, looking after the threat posed to Scotland by the Scottish National party.

**Mr. Davidson:** Will the hon. Gentleman give way?

**Mr. Howarth:** I will, as this may be an opportunity for the hon. Gentleman to save his seat by putting some clear blue water between himself and me.

**Mr. Davidson:** I should regret it very much if this has not been made clear already, but my understanding is that the Secretary of State for Defence is attending another engagement, at which the Army is to receive an award. He thought that that was especially significant, and that is why he was unable to attend the debate.

**Mr. Howarth:** I am sure that the whole House is grateful to the hon. Gentleman for providing an explanation that was not forthcoming hitherto. Obviously, all of us face enormous calls on our time, and there are always competing claims, but this Prime Minister has said that the House of Commons is the top priority, and it is disappointing that the Secretary of State was not able to be here.

The time available to me is rather longer than I had anticipated—and I am sure that you, Mr. Deputy Speaker, will chastise me if I stray—but I shall run through some of the points made in the debate. The hon. Member for North Devon (Nick Harvey) said that the procurement programme was likely to move to the right, and I think that he was correct to do so. He also made common cause with my hon. Friend the shadow Secretary of State that greater transparency for Parliament would improve the quality of scrutiny. That theme was evident throughout the debate, and I hope that Ministers will take it on board and see what more can be done to provide the House with greater insight into what goes on—although I am conscious that the National Audit Office and the Defence Select Committee perform a valuable function for all Members of the House, irrespective of party.

The hon. Member for North Devon also referred to the need for a defence review. I hope that he has read that it is part of our programme that we would hold such a review every five years. The way in which the situation around the world has changed makes holding a regular review of our defence posture something that the House should consider very seriously. However, I can tell the hon. Gentleman that we will also be calling it to the attention of our friends and colleagues that the Liberal Democrats have called for a windfall tax on the defence companies. I am sure that they will be interested to hear about that policy.

My hon. Friend the Member for Mid-Sussex (Mr. Soames) made one of his characteristically spirited contributions, for which I am the first to salute him. I have served as his deputy in the House, and he is a wonderful man to work for. No one has the interests of the armed services closer to his heart than he—and, my goodness, this House knows that he has a very big heart. He made a number of very good points, especially about the under-reporting of the positive achievements of our armed forces on operations. Something that is gaining common ground on both sides of the Chamber is that members of the armed forces often complain, when we visit them in theatre, that the media do not report the positive things that they are doing. They want to know why that happens, and they will say so even when the media are there with them. The media need to look to their own responsibilities not only to the wider British public but to the armed forces themselves.

My hon. Friend the Member for Mid-Sussex, like several of my hon. Friends, mentioned the Defence Export Services Organisation. I thought that his description of scrapping it as "bovine stupidity, engineered by some communist woman at the Treasury" was wonderfully politically incorrect, and I endorse it. It was magnificent, and typical of his robust language. I shall come back to DESO in a moment.

My right hon. Friend the Member for Fylde (Mr. Jack) is a doughty advocate for aerospace in his constituency—not exclusively for BAE Systems, but it has its military aircraft headquarters in his constituency. It is an extremely critical component in Britain's defence capability, and we should pay tribute to it. We should pay tribute to all Britain's defence companies, whether large or small, for the incredible job that they do. We are a small country. We are a fifth of the size of the United States yet, as several of my hon. Friends have pointed out, we are the second largest exporter of defence equipment in the world. We owe that to the professionalism and innovation of our scientists and engineers. Far from decrying them, I pay them the warmest possible tribute. We should acknowledge that not only do they respond swiftly and agilely to demands for upgrading of equipment in theatre, but they have people pretty near the front line, and we should pay tribute to them for that.

My right hon. Friend also mentioned the importance of unmanned aerial vehicles. Work is going on at Warton, some of which I have seen. It is an extremely interesting area of development which we should

encourage and in which Britain has a world-class leading role to play. I strongly support my right hon. Friend when he says that the United Kingdom must continue to be at the forefront of technology. That is something on which we are in accord with the Government, especially with the Minister for Defence Equipment and Support, who has made the point that we will not be a sovereign nation if we cannot autonomously operate our own kit—a point to which I shall come back later.

The hon. Member for Plymouth, Sutton (Linda Gilroy) is a doughty campaigner for her constituency. We all share her delight that the naval base review rightly decided, as my hon. Friend the Member for Woodspring (Dr. Fox) said at the outset, that there was no case for the closure of any base. I am delighted that that has happened. The Supacat vehicle, which is a superb vehicle, was on display at the defence systems and equipment international exhibition. It is made by an excellent company called Supacat dow[illegible]in Devon. Its managing director is my secretary's nephew and I have visited it a couple of times. I give it a plug because it is a jolly good company. It is a small British company doing a splendid job, and it is not just the big boys that we need to be concerned about.

My hon. Friend the Member for Reigate (Mr. Blunt), in a feisty speech, paid tribute to his regiment, the Light Dragoons. I have to say that he was slightly modest. I have no doubt that if he were serving today, he would display every bit as much courage and determination as those who are currently serving in the uniform that he was once proud to wear. He has indeed demonstrated some extraordinary politically courageous skills, which perhaps I will not go into any further today, save to say that his military career and bearing have provided the House with some valuable expertise.

My hon. Friend was right about the CVRT, although it has been upgraded. The upgrade is an interesting one. I have seen it for myself. It illustrates the point that we have to build new equipment that will be in service for a long time and therefore requires the ability right from the outset to be upgraded and adapted for the different conditions that we face today.

My hon. Friend drew attention to the disgraceful delay in the future rapid effect system programme. He drew attention to the fact that General Sir Mike Jackson had said that it had to be in service by 2009 and is now not likely to be in service until we do not know when. He drew attention to the fascinating exchange in the Defence Committee between the hon. Member for North Durham (Mr. Jones) and Sir Peter Spencer. Of course, that exchange led to the decision by the Ministry of Defence to remove any requirement on the part of the Government to give in-service dates, largely because they were completely incapable of meeting in-service dates. So it was better not to tell the House of Commons or the public the likely in-service dates, otherwise they might have to meet them.

**Mr. Blunt:** I am very grateful to my hon. Friend for his kind remarks. In-service dates are an issue. The Light Dragoons are under the rather fond illusion that the scout variant of FRES will be in service sometime around 2013 or 2014, but since the utility variant is coming in first and the systems house estimates that that will happen in 2017, someone better tell the Army—the people who will use it—just exactly when that equipment can be expected to come into service.

**Mr. Howarth:** That is a very good point. Ministers will have heard it, and I hope that they will give the House an answer.

The hon. Member for Dunfermline and West Fife (Willie Rennie) referred to the absence of the Scottish National party from the debate. That was noted by all sides. He also referred to the need for the aircraft carriers, which we endorse.

My hon. Friend the Member for Salisbury said that if he were Prime Minister he would double the defence budget, and I look forward to serving under his premiership in those circumstances. I remind him that, in an opinion poll conducted in October last year and published in *The Daily Telegraph*, when asked whether we should spend more or less on defence, 46 per cent. of the public said that we should spend more and 22 per cent. said that we should spend less. The House can make up its own mind on that. My hon. Friend said that 90 per cent. of trade is seaborne and therefore that there is a need to protect our trade routes, and he is absolutely right.

**Mr. Quentin Davies:** Will the hon. Gentleman give way?

**Mr. Howarth:** No, emphatically not.

My hon. Friend the Member for Harwich (Mr. Carswell) suggested in his slightly idiosyncratic and sometimes slightly bizarre contribution that the whole thing was a conspiracy by a number of defence companies. He probably thinks that I have sold my soul to them, but I represent Farnborough, where the headquarters of BAE Systems is based, and although Lady Thatcher used to say to me, "I hope BAE is still paying you", I have never received a penny piece from BAE in my life.

My hon. Friend did himself something of a disservice in suggesting that those of us who believe passionately in a strong British defence industry are somehow in hock to those companies, for that was the general purport of what he said, although he had some positive points to make. It is important to BAE to have a strong home base, which has enabled it to become such an effective force in the United States. Without that home base here, it would not have been able to achieve what it has achieved in the United States. His suggestion that we should simply buy off the shelf was effectively refuted by my hon. Friend the Member for Lancaster and Wyre (Mr. Wallace). We would very soon cease to be partners; we would become supplicants. We would get inferior kit at an increased price, and that must be borne in mind.

I am bound to say on behalf of Sir Neil Thorne that the idea that the armed forces parliamentary scheme is supported by BAE, Rolls-Royce and one or two others to enable them to secure contracts is extremely unworthy of my hon. Friend the Member for Harwich, and he should think very carefully before making such an accusation in the House.

I am delighted that the reception organised by my hon. Friend the Member for Newbury (Mr. Benyon)

*[Mr. Gerald Howarth]*

for the Royal Engineers went so well. In the same vein, having been instrumental in persuading Rushmoor borough council to put up some fantastic 20 ft banners in Aldershot a couple of weeks ago that said, "Aldershot welcomes home the Grenadier Guards", I should like to see what he has done in Newbury and to tell the House that Aldershot Town football club has tonight opened its doors to the Grenadier Guards and others who have recently returned from operations and invited them to the game against Ebbsfleet—a game that I am sure everyone will rush to watch on the television, as soon as the debate is over—and they are being welcomed in free. That should be done much more often across the country. I will return to the subject of the Defence Export Services Organisation, because my hon. Friend made some important points.

My hon. Friend the Member for Lancaster and Wyre, like so many of my hon. Friends, brings real expertise to the House. He is not the product of some sort of party political research organisation and the hothouse of politics. As well, of course, as his distinguished record of service in the military, he has been on the front line, fighting for British interests commercially. He made an extremely important speech. I was pleased to be in Washington with him earlier in the summer, where on a cross-party basis with a number of Labour Members we tried to persuade the Americans that our not getting access to the technology for the joint strike fighter would be a potential show-stopper. We must be able to operate that aircraft autonomously. He was right to mention the defence treaty; I hope that the Under-Secretary will refer to that in his winding-up speech, and tell us when it will come before the House.

Equipment is as important to soldiers, sailors and airmen as pay and accommodation. Why would they feel valued and why should they put their life on the line if those in charge of policy fail to give them proper and sufficient equipment to do the job? The Minister for the Armed Forces listed new projects that have recently been delivered or ordered, and we welcome them, not least the Supacat, which I mentioned, and the Mastiff, which I have seen in operation in theatre, and which is unquestionably a splendid piece of equipment, although it should have been in service much sooner. However, that is the least that should be expected of a Government who have decided to embark on two major military operations simultaneously, exceeding the planning assumptions set out in their strategic defence review of 1998.

As the then Secretary of State for Defence, the right hon. Member for Ashfield (Mr. Hoon), said in 2003,

> "We have effectively been conducting continual concurrent operations, deploying further afield, to more places, more frequently and with a greater variety of missions than set out in the SDR planning assumptions."

As my hon. Friend the Member for Woodspring said, we are talking about the Government's position, and their planning assumptions. They knowingly exceeded their planning assumptions by a substantial margin.

The tempo of operations has meant that through-life cost calculations have been shot to pieces, as kit has been utilised at a far higher rate than expected. There is a shortage of helicopters and of other equipment—shortages to which hon. Friends have drawn attention. The RAF continues to operate old transport aircraft that the Government intend to replace by means of one of the most absurd procurement private finance initiatives yet invented. It is scandalous that the Royal Air Force is no nearer to getting its hands on the future strategic tanker aircraft than it was two and a half years ago, yet the first aircraft was due to be in service this year. The Australians, having straightforwardly purchased the same aeroplane, have theirs in operation today.

So what has happened? A pattern has developed whereby senior military officers move almost seamlessly from Whitehall to the television studios or—still, thankfully—to the other place to denounce the policies of successive Labour Ministers. Distinguished and experienced officers—Field Marshal Inge, General Guthrie, Admiral Boyce, General Ramsbotham and now General Jackson—have all warned that the armed forces are being short-changed by Labour. Increasingly, such is their frustration that serving officers are forced to speak out. The Chief of the Defence Staff told the Defence Committee that there was

> "not much left in the locker".

Brigadier Levey from Land Command said in May that "the cupboard is bare". When Sir Alan West, the Government's security Minister, was First Sea Lord, he said in response to Government plans to reduce the Royal Navy's surface fleet to 25:

> "this country needs about 30 destroyers and frigates".

The Chief of the General Staff, Sir Richard Dannatt, said that vital equipment was being used

> "at the edge of sustainability".

The Chief of the Air Staff has warned that the RAF is running "very lean", and now we read that they are to lose two squadrons of Tornado strike aircraft.

Those warnings are being ignored by the Prime Minister, who has for 10 years starved the armed forces of the resources that they need to do the job that he has asked them to undertake. He says that the armed forces have been given what they need by way of urgent operational requirements, but those eventually have to be absorbed into the shrinking defence budget. There was a great fanfare yesterday for the extra 140 Mastiff armoured vehicles, but no extra money, as the Minister for the Armed Forces made clear in his opening speech. Indeed, we know from a memo leaked to *The Sunday Telegraph* that the Chief Secretary to the Treasury has directed that

> "no further money from the CSR would be allocated to Defence and to maintain force levels the Dept must find the savings/cuts.
>
> For the RN, the poor CSR deal and the commitment to 2 carriers is such that a proposal for the immediate decommissioning of 5 ships...from April next year has been considered.
>
> This would reduce the RN's capabilities to just one small scale operation and that is it."

The Under-Secretary has a duty to tell the House today whether that memo is accurate.

In the meantime, in a desperate attempt to show savings, the MOD tried subterfuge, only to be exposed by the Defence Committee chaired by my right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot), which revealed that alleged savings of £781 million turned out to be £333 million, with the

remaining £448 million transferred to other budgets. That chaotic situation is set against a background where everyone knows that we face an increasingly uncertain world, with Russia engaged in sabre rattling, as my right hon. Friend the Member for Fylde warned, and turning off the energy supplies of those who challenge it. In the meantime, China has invested heavily in building its military capability and rogue states have threatened to acquire lethal long-range weapons. As the Minister of State himself said, who knows what will happen in 10 years' time? This is an uncertain world and defence is the nation's insurance policy, but the Prime Minister is not paying the premium.

Such is the hand-to-mouth policy that the excellent defence industrial strategy launched by the able and respected Minister for Defence Equipment and Support, Lord Drayson, has run into the MOD sand, and we now have a twin-track procurement policy of cash-unlimited UORs running alongside protracted, unfunded, long-term programmes which may or may not be relevant when they come to fruition. The whole procurement process has failed to adjust to the new world order. As the head of Thales, Mr. Denis Ranque, said to me when I met him in Paris on Thursday, we need to devise a new procurement strategy that reconciles the need for agility in meeting rapidly changing threats with the need for a longer-term programme into which the short-term requirements can fit.

The real problem is that the stewardship of one of the UK's greatest assets—Her Majesty's armed forces—is in the hands of a man who has no understanding of, let alone empathy for, the armed forces. Why else would he have made the Defence Secretary's job and the Minister of State's job part-time? Why else would he have scrapped the Defence Export Services Organisation, which has helped Britain's defence industry to achieve annual export sales of £5 billion? *[Interruption.]* The Minister for the Armed Forces is not part-time—I was referring to Lord Drayson: he, too, is a Minister of State, and he is a part-timer. The decision to scrap DESO was made personally by the Prime Minister without any consultation with his Ministers, let alone with industry. It was smuggled out as a written statement two days before the summer recess, thereby denying Parliament the chance to hold Ministers to account, contrary to all those soothing assurances that he gave on taking over from Mr. Blair. That early move graphically confirms the truth of Lord Turnbull's view that the Prime Minister exhibits "sheer Stalinist ruthlessness" and holds his colleagues in

"more or less complete contempt".

What an absurdity to announce a consultation after the organisation has been axed—execution first, followed by the trial. I know that Ministers are embarrassed, because they were never consulted. The Minister for the Armed Forces, of course, was not around at the time of that dirty work, but the Under-Secretary was. It was shameful, and it was met with almost universal anger and dismay, not least from Ministers who were consumed with embarrassment at that example of Stalinist ruthlessness, which could only have been undertaken by someone keen to placate those who campaign against defence exports or, indeed, agents of the campaign against the arms trade. As my hon. Friend the Member for Newbury told us, the chief executive of BAE Systems, the world's fourth largest defence contractor, wrote to the Prime Minister on 26 July. Mike Turner rightly praised DESO for providing a world-class capability in Government support for defence that was the envy of our principal competitors, who cannot believe their luck. My hon. Friend also quoted Helen Liddell, a stalwart of the Labour Benches for many years, who said in a letter to Digby Jones:

"I have a great respect for our Trade and Investment teams but I have to be honest, the skill sets used for general UKTI work do not match at all that needed for defence sales."

She told Digby Jones that Australia is setting up its "own version of DESO", which is an indictment of the Government. The fact that the Ministry of Defence will retain Saudi business within the Department indicates that that decision is absolutely rotten.

Now Ministers are trying desperately to cobble together a formula to replace DESO. We await the outcome of that completely needless exercise, and if it fails to provide what we regard as an effective substitute, we shall have no hesitation in undertaking to restore DESO to the MOD after the next election and the return of a Conservative Government.

There is a widespread view that the current tempo of military operations is unsustainable on the present budget, to which today's announcement makes little practical difference. As my hon. Friend the Member for Woodspring said at the outset of the debate, procurement is a welfare issue. The Government have failed to give our men and women the equipment that they need, demonstrating that they have failed to honour their part of the military covenant. We regret that the Prime Minister's timidity in failing to call a general election will deprive us of the opportunity to take steps immediately to restore the broken covenant, but we shall use the forthcoming months to champion the cause of our brave men and women in uniform, who deserve much better than they are being given by the Government.

9.25 pm

**The Parliamentary Under-Secretary of State for Defence (Derek Twigg):** It is an honour and a privilege for me to work with our armed forces and veterans. I join the rest of the House in paying tribute to their courage, determination and professionalism. We are well aware of their bravery and the task that they are undertaking in Iraq, Afghanistan and elsewhere around the world.

It is right that the House should scrutinise the current procurement policy and that we should have this debate to look at ways of continuing to improve what we do. Service personnel and taxpayers have a vested interest in procurement, and it is our duty to ensure that we have the right policies and processes in place to help British armed forces.

The debate was wide ranging and included some very good contributions. We heard from my hon. Friend the Member for Grantham and Stamford (Mr. Davies), the hon. Members for North Devon (Nick Harvey) and for Mid-Sussex (Mr. Soames), the right hon. Member for Fylde (Mr. Jack), my hon. Friend the Member for Plymouth, Sutton (Linda Gilroy), the hon. Members for Reigate (Mr. Blunt), for Dunfermline and West Fife (Willie Rennie), for Salisbury (Robert Key), for Harwich (Mr. Carswell), for Newbury (Mr. Benyon), and for Lancaster and Wyre (Mr. Wallace), and my hon. Friend

*[Derek Twigg]*

the Member for Glasgow, South-West (Mr. Davidson). I shall try to deal with as many of the issues raised during the discussion as I can.

I was surprised that the first item of procurement that was brought up was British lamb. The hon. Member for Leominster (Bill Wiggin) is not present, but I understand that the figure that he quoted is not correct. It is not 3 per cent. of our procurement—13 per cent. of the lamb procured for the armed forces is of British origin and we would like to improve that, but various issues such as availability and price must be taken into account. Where we can source British produce and meat, we will do so.

As Defence Ministers, my right hon. Friend the Secretary of State and I regularly visit our armed forces personnel in the UK, in operational areas and elsewhere. The hon. Member for North Devon mentioned kit. One of the first questions that we ask our armed forces personnel wherever we are, particularly in Afghanistan and Iraq, which I visited three weeks ago, is what they think of their personal equipment. Perhaps I am hearing a different story from the one the hon. Gentleman hears, but the overwhelming view is not only that it is good, but that it is the best personal kit that they have ever had. That view has been put across to us from all ranks. As Ministers, we want to know if there are problems that we can deal with. From time to time there are issues—we heard about boots, for example—but the message that we get is as I have described it. A great deal of investment has been put into talking to our armed forces personnel about what they need and into the work that has been taking place in the MOD and the armed forces.

Let me give an example. As the House knows, I have responsibility for Defence Medical Services. When I was out in Camp Bastion a few weeks ago, the message coming across to us from our medics throughout the Defence Medical Services was that the personal equipment that they have, particularly the body armour, is saving lives that would not have been saved just a couple of years ago. That is an important point to make, and I reject the Opposition's accusation that we are not spending to support our armed forces at home and abroad and to give them the best possible protection. I refute that, and I shall return to the issue later.

**Dr. Fox:** One of the consequences of improved body armour is fewer fatalities but a higher number of casualties who survive serious injury. I shall ask the Minister something that I have asked his predecessors about for more than a year. One of those consequences will be an increase in concussion-type injuries resulting in traumatic brain injury. The Americans have already instituted protocols for their servicemen and servicewomen in theatre, but we have not. When will that be done? We are constantly told that the Government will evaluate the information, but it is now some 18 months since this was begun in the United States, so when will we get it for our armed forces?

**Derek Twigg:** I have told the hon. Gentleman that we are examining this. Let me make it clear that when I was talking about this issue at Headley Court a few months ago, there was a difference of opinion about how it should be addressed. The Americans have a view about how they want to pursue it. We are listening to that and we shall be talking to them—we have a liaison officer out there. It is important that we get the medical opinion right. When we reach a conclusion, we shall make a statement in the House on our approach to this type of injury.

The hon. Gentleman is right that the way in which we look after people and injuries is a crucial part of the whole process. I hope that he will now accept that what is happening at Selly Oak, Headley Court and our regional rehabilitation centres is world class in terms of saving lives and allowing many people to be rehabilitated and, in some cases, to go back to service in greater numbers than they have before.

The hon. Member for Newbury takes a great interest in this because of his regimental connections and the casualties that his regiment has suffered. I praise him for his work in taking service personnel to Newbury. I know that that was a very good day out and that they greatly enjoyed it. He put a lot of effort into it, and I wish to put that on the record.

We need to judge the success of our procurement policy by the success of our military operations. We are clearly seeing success. Recently, when I was in Afghanistan, I found a great feeling that much has been achieved. There is much more to do, but people felt a great sense of achievement in doing something that was right and proper. That message came across from all ranks. There can be little doubt that our forces are demonstrating in Iraq and Afghanistan that they have behind them a robust and effective procurement infrastructure.

We have changed the infrastructure in recent years, most notably through the formation of Defence Equipment and Support and the implementation of the defence industrial strategy. Two years on, it is clear that the DIS is working and has made an impact. It is embedded in our culture and the way we do business, and it is driving better partnerships between the MOD, as customer, and industry. Clarity and transparency are the cornerstones of the strategy, building strong foundations for an equipment programme that is stable and affordable and has the flexibility to respond to changing operational requirements.

I want to echo an important point made by the hon. Member for Mid-Sussex: the fact that what our armed forces are doing in Iraq and Afghanistan is not getting wider recognition in the press and elsewhere. General Dannatt has also recently raised this issue, and we share those frustrations. Reporters are embedded in both theatres and, as the hon. Gentleman will know, there are opportunities to talk to our armed forces personnel. They could also go to Headley Court, where on two or three occasions I have spoken to them. There are plenty of opportunities to do more and plenty of information exists. A number of documentaries have been made and there have been TV involvements, but I agree that more should be done, and I urge those in the media to do more to publicise the fantastic bravery of our armed forces. My hon. Friends and I will continue to do as much as we can to ensure that the message about the bravery and professionalism of our armed forces gets across, but we cannot force people to print something or to show something.

Two years on, it is clear that the defence industrial strategy is working and has made an impact. It is a blueprint for change and a plan of action. It is about

robust project management, proper deadlines and driving forward through life capability, making sure our forces get the kit that they need when they need it. Of course, innovation is at the heart of this.

In order to face the defence challenges of the future, we must maximise our benefits from advancing technologies. Last autumn, we launched our defence technology strategy, which outlines the research and development agenda over the next decade. The right hon. Member for Fylde raised a particular issue about the strategy's future and I hope that we will be able to deal with that. Innovation and a focus on emerging technologies will be a clear priority. That has provided the direction for both the MOD and industry about where we need to retain UK-owned capability to ensure operational sovereignty and national security.

This nation has a strong science and technology base. UK scientists claim about 10 per cent. of the major international prizes every year. By 2014, the Government plan to increase investment in research and development to 2.5 per cent. of gross domestic product. Every year, the Department spends about £2.5 billion on research and development, and we are committed to pushing through our ideas into commercial spin-offs. We have steadily opened up our research programme to competition in recent years. We are well placed to reap the benefits of this process and the defence technology strategy sets the agenda on how we will go about that. Five major initiatives were launched through the DTS: the Grand Challenge; the Competition of Ideas; increased emphasis on science and technology research; engagement with industry on future investment in defence research and development; and investment in skills, about which my hon. Friend the Member for Glasgow, South-West made a point earlier. Those strands work together to ensure that the UK has the best people, skills, knowledge and industry it can.

The Competition of Ideas proved to be extremely successful in reaching out to the wider scientific and engineering community to find solutions for the new challenges we face. I am delighted to have the opportunity to announce the very first award. The Competition of Ideas recently saw its first contract awarded to Plextec Ltd, which will research improvements in communications between vehicles and convoys. That is the kind of creative application from a small company—several issues have been raised today about the importance of small companies to defence—that has the potential to make a vital contribution to this country's defence effort. I commend my noble Friend Lord Drayson for his work in this area. It is widely accepted that he has done a magnificent job and made many major improvements.

Many hon. Members referred to the importance of the defence industry to this country, and it is a vibrant and thriving sector. It supports more than 300,000 private sector jobs and produces revenue of around £13 billion per year. I pay tribute to it; it is crucial to this country and the defence effort. It is imperative that we get it right by ensuring the best deal for the front line and the taxpayer, and building capability throughout our armed forces is crucial to that.

We talked about naval capability, but I would like to cover a few other areas. The capability of the Navy has improved demonstrably over the last decade. The Sea King Mk 6 anti-submarine warfare helicopter has been replaced by the new Merlin aircraft, which I saw recently during my visit to RNAS Culdrose. It is capable of significantly greater detection ranges and a faster cruising speed, and it is able to cover eight times more sea space, which represents a quantum leap in capability. Looking to the future, the maritime afloat reach and sustainability class of afloat support ships will replace the current group of ageing auxiliary fleet support helicopter ships. That will strengthen the Navy's ability to sustain an extraordinary expeditionary capability well into the 21st century.

Much has been said today about capabilities, and as has been highlighted before, the responsiveness of our UOR programme. We have heard about the range of equipment now in theatre, and it is important to make the point that the UOR process has continued to deliver more than £1 billion of force protection—approved for Afghanistan and Iraq. It continues to deliver for our front line armed forces. To go further, as of August 2007, 91 per cent. of equipment procured under the UOR process was deemed either highly effective or effective by our troops, which is an improvement. The Viking, supplemented by UORs for a desert environment, has been praised by the Royal Marines operating in theatre. To quote one Marine:

> "Enemy mortars landed just two metres away from my Viking the other week and there wasn't even a scratch on her. Small arms fire rounds just bounce off her like stone chippings."

Recently we have seen the deployment to Afghanistan of the guided multiple launch rocket system, or GMLRS, which has a precision strike ability of up to 70 kilometres. It has proved itself to be a remarkable asset to the Royal Artillery.

Air capability also plays a crucial role in the success of our operations. We are in the final stages of gaining airborne stand-off radar, or ASTOR. It is a ground surveillance system designed to provide information regarding the deployment and movement of enemy forces. With contract costs of approximately £800 million, the ASTOR system comprises five aircraft and eight ground stations, together with comprehensive training and maintenance facilities at the main operating base, RAF Waddington. Clearly, the up-to-the-minute information this technology can deliver will be of exponential benefit to commanders on the ground.

As I think was mentioned earlier, the procurement includes the future strategic tanker aircraft, which will replace the RAF's VC10s and TriStar fleets. The new platform will perform air-to-air refuelling and air transport roles. We are proceeding with a private finance initiative and aim to have the capability by 2011. We have already invested £25 million in this project—a figure that is likely to increase as we place orders.

I shall briefly deal with several other points, especially those about helicopters. The hon. Member for North Devon spoke about the future of the Lynx helicopter. The project remains within its approved performance time and cost targets. The £1 billion cost that was announced in 2006 referred only to the contract with AgustaWestland for the development and manufacture of 70 aircraft. The overall approved cost is £2 billion, which includes significant elements outside the AgustaWestland contract, as well as VAT and the compound effect of inflation. We are committed to that.

*[Derek Twigg]*

Helicopters, including the number that we need and the so-called shortfall, have been mentioned several times in the debate. We acknowledge that we need to do more. We have referred to the decision to purchase six Danish Merlins. We are currently converting eight Chinook mark 3 helicopters, the first of which will be available for operations in 2009. We are investing £4.5 billion in helicopters in the next 10 years, a considerable proportion of which will be used to enhance current fleets, such as the Puma and the Sea King, and to increase the flying hours for the Chinook and the attack helicopter in Afghanistan. We therefore expect further improvements in logistical support. We are making important improvements, not simply sitting around and accepting the situation. Making improvements is part of our overall strategy.

**Dr. Fox:** I am grateful for the Minister's admission that the Government must do more. However, why, with two conflicts raging, did they cut the future rotorcraft capability budget in 2004, thereby removing £1.4 billion of funding for future helicopter improvement?

**Derek Twigg:** When I say that we must do more, we are clear about the need for that. We have always considered ways of improving matters for our front-line service personnel and we will continue to do that. We do not rest on our laurels and simply say, "Everything's okay today." We are always looking to improve our capability.

The future rapid effect system—FRES—has been mentioned several times. We announced the acquisition strategy at the end of last year when we committed ourselves to holding utility vehicle trials this summer. They have taken place and it is planned to announce the result next month. Last week, we made an announcement about the system of systems integrator—SOSI—two months early. FRES is at the heart of procuring the Army's equipment, as the hon. Member for Reigate mentioned, and will underpin the development of the capable and highly deployable medium-weight force. FRES will deliver armoured vehicles with enhanced survivability and improved deployability, and grow potential for the future. We selected the vehicles that are participating in trials with the FRES utility design and, on 5 October, we announced the preferred bidder for the SOSI role. That is a clear sign of the Ministry's commitment to driving the FRES programme forward. The Ministry is also running a competition to select the company for the utility vehicle integration work.

The right hon. Member for Fylde mentioned Typhoon.

**Mr. Blunt:** When will the Army get FRES? In 2003, we were told that the Army would get it in 2009; in 2007, we appear to be getting it in 2017. Things are going backwards, yet the Army relies on the vehicle coming into service.

**Derek Twigg:** The hon. Gentleman made that point in his speech. We are determined to press on and we will make an announcement at the appropriate time.

I confirm that we have entered into discussions with our partner nations and the industry about tranche 3 of Typhoon. The purpose of the discussions is to obtain and exchange the information that we will need to make decisions in due course. They are at an early stage and will continue throughout 2007 and 2008. We will keep the House informed about that.

My hon. Friend the Member for Grantham and Stamford made some good points.

**Mr. Benyon:** I am grateful for the Under-Secretary's kind comments about me earlier. However, he has not tackled the points that my hon. Friends the Members for Mid-Sussex (Mr. Soames) and for Aldershot (Mr. Howarth) and I made about the Defence Export Services Organisation. We asked specific questions. Will he answer them and explain, if he has been told, why the decision was made?

**Derek Twigg:** Let me complete the point that I wanted to make. My hon. Friend the Member for Grantham and Stamford made some important points. The Conservative party expresses much criticism of what we do or do not do and the resources that we invest. There has been a massive increase in resources and improvements in equipment and support for our armed forces. Those improvements have occurred not only in equipment but in welfare and elsewhere. The key point is that Conservative Members will not say what they would reduce, where they would put extra money or where they would find it. They continue to say that they are not the Government. They have no credibility. As my hon. Friend said, when he asked such questions, they did not comment about where they would spend more money. That simply did not happen; they did not have such a debate. Their comments are therefore about making cheap political shots, not having a debate about increasing support for our armed forces.

**Lord Commissioner of Her Majesty's Treasury (Claire Ward):** I beg to ask leave to withdraw the motion.

*Motion, by leave, withdrawn.*

## PETITION

## Tunstall (Road Calming)

9.45 pm

**Derek Wyatt** (Sittingbourne and Sheppey) (Lab): There is a rat run in my constituency, between the A249 Stockbury roundabout and Tunstall village, which is a lovely old Saxon village. Some years ago, I think that the Daleks ordered a softening of the road system, but not in the most difficult part of the village. The residents of Tunstall, the church and the school have a pretty tough time. What we want is a proper road-calming system for the village of Tunstall. The petition states:

The Petition of the Residents of Tunstall

Declares that the road between Tunstall Church and Tunstall School Car Park is dangerous.

The Petitioners therefore request that the House of Commons urge the Secretary of State for Transport to reduce the speed limit to 20 mph, to provide a traffic control point at the narrowest point in the road and to ban lorries from using the road except for access.

And the Petitioner remains, etc.

*To lie upon the Table.*

## Anti-doping in Sport

*Motion made, and Question proposed,* That this House do now adjourn.—*[Claire Ward.]*

9.46 pm

**Mrs. Maria Miller** (Basingstoke) (Con): This is the second time that there has been a debate on the Floor of the House about the case of my constituent Mr. Paul Edwards. The previous debate was held in May 2002 by my predecessor, Mr. Andrew Hunter. In that debate, Mr. Hunter most precisely and eloquently put forward to the then Minister for Sport, the right hon. Member for Sheffield, Central (Mr. Caborn), the case of my constituent Mr. Edwards, who was banned from competing in athletics for the rest of his life as a result of a drugs test in June 1997.

In that debate Mr. Hunter detailed deep concerns about the validity of the tests that had been undertaken. In his response, the then Minister came forward with some practical and helpful suggestions about procedures that my constituent could follow to have his case reviewed and try to ensure a satisfactory outcome. The fact that we are here again, some five years on from that debate, suggests that the course of action put forward by the then Minister has not brought the matter to a satisfactory conclusion. However, I hope that the Minister today will follow in his predecessor's footsteps, by responding positively to the debate and again offering some practical advice and support for my constituent, so that we can end almost a decade of uncertainty surrounding the case.

I asked for this debate because in September 2005 new and critical information was obtained by my constituent under the Freedom of Information Act 2000. When examined by six independent toxicological experts, that information confirmed that there were clear grounds to call for a re-examination of the 1997 decision to ban Paul Edwards from competing in athletics. This newly disclosed evidence was never considered as part of the original disciplinary hearings, or of the appeal. I wrote to the then Minister asking him to outline the procedure that my constituent should follow in the United Kingdom to ensure that the new evidence could be assessed, so that a view could be taken based on the strength of the evidence as to whether the case could be reopened.

In his letter of 9 May 2006, the then Minister said that I should write on my constituent's behalf to the International Association of Athletics Federations—the IAAF—to ask for an appeal. Indeed, the Minister indicated that he understood that the case was already under review. I followed his advice and duly wrote to the IAAF. Some time later—I have to say that it took about three months—I received a reply from Mr. Pierre Weiss, the general secretary of the IAAF, stating that there were no provisions under IAAF rules to allow for the reopening of Mr. Edwards' case, even though there was the potential for important new evidence to be presented.

I was somewhat surprised by that response, given that the then Minister had clearly stated that the procedure for seeking such an appeal was to write directly to the IAAF. I therefore wrote to him again, but I did not receive an explanation of why the initial guidance from the Department appeared to be incorrect. This time, however, the right hon. Gentleman suggested that I contact the World Anti-Doping Agency—the organisation responsible for monitoring the appeals processes of international federations, including the IAAF—which I duly did. The reply that I received from the agency stated that issues such as this were simply not within its jurisdiction.

So I contacted the then Minister's office for a third time, explaining that his new suggestion, too, had proved somewhat unfruitful. Again, I did not really get an explanation of why it had not worked, but it was suggested that I contact the Court of Arbitration for Sport to ask whether it might review the case. Dutifully, I did so, and in February this year—about a year and four months after my constituent had uncovered important, previously undisclosed evidence—I received a reply stating that the court was not in a position to review its own decisions, and that the only entity entitled to review the case and possibly reduce the sanction was, yes, the IAAF, the organisation that had stated that it had no provision in its rules to reopen cases that it viewed as closed, even when there was new evidence.

After almost two years of correspondence—and, some might say, going round in circles—I have come to the House today simply to ask the Minister to clarify once and for all the UK procedures for dealing with cases such as my constituent's, in which compelling new evidence is available that might call into question previous decisions to ban sportsmen and women from taking part in competition.

The Minister who is here today, in his role at the Department of Culture, Media and Sport, is responsible for ensuring that we have a workable anti-doping policy for the UK, and within that, the disciplinary procedures and appeals processes that are an important part of the process set out in the world anti-doping code and set out locally in the UK national anti-doping policy adopted in May 2005. Although the implementation and management of that policy is, rightly, delegated to UK Sport, the responsibility to ensure that UK athletes and other sportsmen and women have fair and transparent access to drugs monitoring, enforcement and disciplinary procedure rests with the Government.

My constituent Mr. Edwards has had the freedom to compete in athletics taken away from him for the rest of his life. Competing in sport was the centre of his life, and receiving a lifetime ban has had a profound effect on both him and his family. The new evidence that he obtained in September 2005 has never been reviewed by a sporting body or considered by any tribunal, although it has been carefully scrutinised by six independent toxicology experts. All six agree that the information provides firm grounds to require the 1997 decision to ban Paul Edwards from competing in athletics for life to be reconsidered.

It is not for me, or for this House, to judge the merits of that evidence, but it is the Government's responsibility to ensure that a fair, transparent and equitable appeals process is available to athletes such as Paul Edwards. I am therefore hoping that the Minister will outline the procedure that should be open to Mr. Edwards to ensure that this new evidence can be fully considered. Perhaps the Minister will tell us how best to proceed on this matter. What can the Minister

*[Mrs. Maria Miller]*

take to our representatives on the International Association of Athletics Federations to help review the way in which these procedures affect UK athletes?

The UK will be hosting the Olympic games in less than 60 months' time, so the Government have a duty to ensure that we have in place an open and workable procedure for dealing with drugs and doping in sport, including a transparent appeals process. It would appear that European bodies such as the IAAF, the World Anti-Doping Agency and the Court of Arbitration for Sport do not operate as the Minister's office and his Department think they do. If that is the case, can the Minister be really sure that the UK system is as fair to athletes like Paul Edwards as I am sure he wants it to be?

9.56 pm

**The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe):** First, I congratulate the hon. Member for Basingstoke (Mrs. Miller) on securing the debate. I also congratulate her on her steadfastness in representing her constituent, Mr. Edwards, which she has done to a very great extent. I want to assure her from the start that I have looked into the case in great detail. As she said, there is a lot of correspondence and many issues have been raised previously. I shall discuss the Government's overall position on doping in sport. Tonight provides a great opportunity to consider it in detail. I will come to the particular case of Mr. Edwards at the end.

Doping undermines the integrity of sport. To those watching sport and to the young people seeking to emulate them, athletes are seen as role models. It is very important to me that those people believe that their role models are competing in an event, race or game free from the spectre of drugs.

The anti-doping movement is entering a particularly important time, with the coming months pivotal in the development of the future landscape of anti-doping internationally. November will see the culmination of the World Anti-Doping Agency's wholesale review of its world anti-doping code at the world conference on doping in sport. I look forward to representing the UK Government there in Madrid. That conference will draw to a close 18 months of intensive consultation during which WADA has—successfully, in my opinion—sought the views of Governments, anti-doping organisations, international federations covering all of the Olympic and Paralympic sports and the majority of professional sports from all around the world.

That has been no mean feat. I know that a huge amount of work went on here in the UK to ensure that the views of this Government, UK Sport and our national governing bodies were listened to by WADA, and I am pleased to say that, on a number of issues, it has done that. I pay tribute to UK Sport's hard work in consulting all the governing bodies. We have come a long way in a short time, and the House should remember that WADA came into being only eight years ago in November 1999. The importance of this review cannot be underestimated.

The first world anti-doping code was introduced back in 2004 and, at that time, it represented a watershed in the fight against those who would seek to cheat by doping. This review gives us the opportunity significantly to improve the code, based on the knowledge that sports' governing bodies and anti-doping organisations have developed after three years of practical implementation.

Alongside the code, a number of other significant developments are worthy of mention. The first is the ratification and coming into force of the UNESCO convention against doping in sport. The genesis of the convention was the Copenhagen declaration, signed by Governments at the last world conference on doping in sport in 2003, signalling their support for the measures being taken to harmonise the approach to doping in sport through the code. The UK is signatory to the Copenhagen declaration and was one of the first countries formally to ratify the UNESCO convention in April 2006. This was a legally binding document, mandating Governments to take action to fight doping. The convention came into effect in record time, again showing the priority afforded to anti-doping by this Government and other Governments around the world. The United Kingdom is already compliant with the convention, but, as the hon. Lady said, our important role as host nation for the London 2012 games requires us to be sure that we are doing all we can to stop athletes from doping, and to be seen as a world leader.

*It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.*

*Motion made, and Question proposed,* That this House do now adjourn.—*[Claire Ward.]*

**Mr. Sutcliffe:** I have met ministerial colleagues at the Home Office to discuss ways of strengthening our approach across government. I look forward to a further meeting on 7 November with a range of colleagues to seek ways of making further progress.

Anti-doping has been the subject of two Select Committee inquiries—by the Culture, Media and Sport Committee in 2004 and by the Science and Technology Committee in 2006. The Government welcome the valuable contributions that those Committees have made to consideration of the UK's approach to doping in sport.

Let me return to the subject of the code. That brings us to the athlete's right to a fair and transparent hearing, and the right of that athlete to appeal. Those rights are clearly embodied in the code and, to my mind, that is absolutely as it should be. The code and the supporting international standards provide a blueprint setting out the roles and responsibilities of the various agencies involved when an athlete is found to have committed a doping offence. It is within that framework that the United Kingdom's national anti-doping policy has been developed by UK Sport, supported by a set of model rules that stipulate the clear process under which athletes who are found to have taken a doping substance can expect their cases to progress.

I am aware that in the case of the hon. Lady's constituent, Mr. Edwards, his doping violations occurred before those model rules were in place. However, I also understand that the processes to which he was subject in accordance with his right to a hearing and an appeal complied with the requirements set out in the model rules. In Mr. Edwards's case, the evidence was subject to

an independent review and a disciplinary hearing was conducted by the then British Athletics Federation in 1998, followed by an appeal hearing by the BAF in 2000. Those processes were in line with the requirements.

Mr. Edwards has seen three further reviews of his case—by UK Sport in 2002, 2004 and 2005, drawing on advice from those with scientific expertise in the area of anti-doping—and the International Amateur Athletics Federation considered his case in 2006. Moreover, as the hon. Lady said, the case was debated in the House back in 2002, in another Adjournment debate. I shall do my best not to repeat what was said then, as it is already on record.

**Mrs. Miller:** May I remind the Minister of the letter that I received from his colleague on 9 May 2006? Far from suggesting that the door had shut, it suggested that the case was still under review, and advised me on how to support my constituent. I understand what the Minister is saying, but it seems to be slightly at odds with what his colleague told me.

**Mr. Sutcliffe:** As I told the hon. Lady earlier, I have examined the case in great detail. I am trying to set out clearly what we believe to be the route that must be followed. She is right about the way in which some organisations have dealt with the issue, but I am talking about what happened in Mr. Edwards's case. It is a complex case, which has been the subject of a great deal of correspondence between the hon. Lady and her predecessor and my predecessor.

The hon. Lady has referred to the scientific evidence and arguments behind the case. I am not a scientist—I do not know whether the hon. Lady is—and we have to rely on the experts who examine such cases day in, day out. My role as a Minister responsible for sport is to ensure that the correct structures, programmes and processes are in place to ensure that our athletes compete in a drug-free environment, and, when that is found not to be the case, to ensure that they have recourse to a fair appeal. Fundamental to any anti-doping programme are three key elements: robustness, consistency and fairness. In looking at Mr. Edwards's case, I am convinced that those three elements have been met. As the hon. Lady will have heard my predecessor say, it is not the role of the Minister for Sport to intervene in individual doping cases. When an athlete is found to be in violation of the anti-doping code, it is the responsibility of that athlete's national governing body and the international federation to decide what action to take, in line with the procedures set out in the world anti-doping code, and in the UK's national anti-doping policy. Again, I understand that the correct processes have been followed in this case. I have no remit to act outside of those, as has been set out in my previous correspondence. There is no mechanism by which we can become involved.

In the last letter from my predecessor, dated 23 January 2007, the advice given was that the Court of Arbitration for Sport would be the final route of appeal for the hon. Lady's constituent. That advice was also given in the previous Adjournment debate in 2002. Therefore, I am a little surprised that Mr. Edwards has not taken the opportunity to go to that court.

**Mrs. Miller:** I thank the Minister for giving way; he is being very generous. He may recall from my earlier remarks that I wrote to the Court of Arbitration for Sport to ask whether it was able to review the case. It said that it was not within its jurisdiction to do that. In the letter that I received from his predecessor, the indication was that the process is to go to the International Association of Athletics Federations, but the IAAF does not agree with the Government that that is the process. Going back to the Minister's earlier remarks about there being procedures in place, it seems not to be a strong argument. I am not sure that he is right.

**Mr. Sutcliffe:** I am trying to go through the matter in great detail. I have asked for the details of the case to see what could be done and if anything needed to be done, but I have been assured that the processes that have been in place have given Mr. Edwards every opportunity under the existing codes and guidelines to put his case. I am advised that the Court of Arbitration for Sport is the final route. Clearly, the hon. Lady has had a different view from the court. If we need to pursue that, I give her the undertaking that that is what we will do to clarify the route. It is not for a Minister to act on behalf of an individual. I understand that it is not just a letter that needs to be sent; the details of the appeal have to be sent, too. We are saying that that is the final route that Mr. Edwards has to go through. I hope that that is helpful to the hon. Lady. If it is not, she and I will have to get together. I am happy to do that to sort out the final route, if that is appropriate.

Fairness for all athletes must be the fundamental principle of any anti-doping system. From what I have been told, I am confident that Mr. Edwards has received fair treatment, notwithstanding the final appeal. The reviews that have taken place have been concluded to my satisfaction in terms of the detail that has been given to me. I believe that it is now time to move on to face future challenges. Clearly, with the route that I have outlined, that will be the final act, as it were, in terms of what we are able to do.

I am grateful to the hon. Lady for raising the case. I hope that I have clarified to some extent some of the issues that she faces. I will work with her to clarify the final route of appeal.

*Question put and agreed to.*

*Adjourned accordingly at eight minutes past Ten o'clock.*

# House of Commons

*Wednesday 10 October 2007*

*The House met at half-past Eleven o'clock*

**PRAYERS**

[MR. SPEAKER *in the Chair*]

# Oral Answers to Questions

## WALES

*The Secretary of State was asked—*

### Cardiff's Women's Safety Unit

1. **Jenny Willott** (Cardiff, Central) (LD): What discussions he has had with National Assembly for Wales colleagues on future funding of Cardiff's women's safety unit; and if he will make a statement. [156149]

**The Parliamentary Under-Secretary of State for Wales (Huw Irranca-Davies):** The Cardiff women's safety unit does a fantastic job in helping the victims of the abhorrent crimes of domestic violence. The Assembly Government and the UK Government are committed unreservedly to protecting vulnerable women and prosecuting violent partners.

**Jenny Willott:** Every year the Cardiff women's safety unit supports about 1,500 domestic violence cases. I know that the Minister is aware of its excellent work, but is he aware that the unit is facing funding shortages in the short term, as some charitable funds are coming to an end, and in the long term, with funding for the Cardiff community safety partnership being cut by 14 per cent.? Will he speak to the Home Office to ensure that the unit is able to maintain the good work that it does well into the future?

**Huw Irranca-Davies:** As mentioned by the hon. Lady in whose constituency the unit is located, I visited the unit recently with my hon. Friend the Member for Cardiff, North (Julie Morgan) and saw at first hand the very good work that it does. The unit is a model of good practice and provides an invaluable service. This year it received £247,298 core funding from the Assembly Government, which is secure for 2008-09. That is an increase on the original three-year allocation approved in March 2006. In addition, for 2007-08 the Assembly has awarded £63,442 to fund the male helpline, which operates from the unit, and that is an increase as well. The Assembly is considering its budget plans for future years, but I applaud the work that the unit does and the secure funding that is in place.

**Julie Morgan** (Cardiff, North) (Lab): Is my hon. Friend aware of the pioneering success of the women's safety units in halving the number of repeat offences of domestic abuse? That has been achieved about by their pioneering system of holding multi-agency conferences on all cases of high-risk domestic abuse. Is my hon. Friend aware that this system has been copied in 70 areas of the UK, and that Wales has been leading the way in this regard?

**Huw Irranca-Davies:** Absolutely. It would right and proper to say that we recognise the work of my hon. Friend in taking the initiative forward from its instigation. Yes, the multi-agency risk conferences are not only innovative but are proving their effectiveness. We hope to see more and more of them across the UK. It is worth pointing out the Government's commitment to specialist domestic violence courts, of which there are eight in Wales and more to come in the UK. That shows how serious the Government are, both at UK level and in the Welsh Assembly Government.

**David T.C. Davies** (Monmouth) (Con): Does the Minister agree that the women's safety unit and other groups like it should do more to prioritise preventing the abhorrent practice of female genital mutilation? Is he aware that since the law against that was passed in 2003, not a single person has been convicted, and that in Wales there is a danger that thousands of women could face that disgraceful and awful practice?

**Huw Irranca-Davies:** The hon. Gentleman has raised an important issue, but I am sure he is aware that one of the significant feature of the women's safety unit is the way in which it brings together various agencies and actors from different women's and male groups in the Cardiff and south Wales areas. They no doubt share the concerns that he expressed, but the core work that the women's safety unit does in tackling domestic abuse and violence against partners, both male and female, is to be firmly applauded.

### Cross-border Rail Links

2. **Ian Lucas** (Wrexham) (Lab): What steps he has taken to assist in the improvement of cross-border rail links in north Wales. [156151]

**The Parliamentary Under-Secretary of State for Wales (Huw Irranca-Davies):** My right hon. Friend the Secretary of State and I, like my hon. Friend the Member for Wrexham (Ian Lucas), take a keen interest in Welsh rail services. This includes regular discussions with ministerial colleagues both in Whitehall and the Assembly Government, as well as with train operating companies and other stakeholders.

**Ian Lucas:** In Wrexham we are celebrating the introduction of the first direct rail service to London since 1957, which was announced last month, but we are ever ambitious and we now want the electrification of the Wrexham-Liverpool line. We note with some concern that the rail assessment plan that was issued over the summer somehow made the mistake—I am sure it was a mistake—of putting back the work on that till 2014. Will my hon. Friend have discussions as soon as possible with the First Minister to make sure that the error is rectified?

**Huw Irranca-Davies:** My hon. Friend has been a tireless campaigner on behalf of his constituents and north Wales rail. We welcome the new direct service between Wrexham and Marylebone. In respect of the Wrexham to Bidston electrification, the co-operation between Merseytravel and the Welsh Assembly Government to examine the feasibility of improving the line is welcome because it could indeed deliver

improved rail links, leading to economic and employment opportunities. I understand that the Welsh Assembly Government are considering the options resulting from the feasibility study. Decisions on the way forward will be for them, but as my hon. Friend has been such a strong advocate of rail issues in his constituency and across the region, I am more than happy to meet him and discuss the matter further.

**Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy) (PC): The Minister will be aware of the recent announcement by the Welsh Assembly Government that it is a priority to improve rail journey times between north and south Wales and to introduce electrification. Will the Minister do what he can to assist Ministers in Cardiff to implement that approach, bearing in mind the huge economic, social and other benefits?

**Huw Irranca-Davies:** The hon. Gentleman has raised an important issue. On 2 October, the Welsh Assembly Government announced new transport priorities, which include a commitment to examine further improvements to north-south rail travel, including a new fast service with business-class facilities operating southbound in the morning and northbound in the evening. On 3 October, the Welsh Assembly Government launched their freight strategy consultation, which aims to deliver a robust, modern and efficient freight transport system. I will take the hon. Gentleman's views on board. The plans are exciting and ambitious, and we all hope that they can be delivered.

**Mrs. Madeleine Moon** (Bridgend) (Lab): While welcoming the news about the improvement of railway services in north Wales, may I ask my hon. Friend what impact the recently published rail White Paper will have on railways not only in north Wales but across Wales?

**Huw Irranca-Davies:** The recent rail White Paper will deliver real benefits for Wales. It discusses improved reliability on long-distance services—Virgin, First Great Western and Arriva cross country—increases in safety and an enhanced network capacity at Reading, which, as my hon. Friend will know from campaigning conducted by her and other MPs, is a pinchpoint on the First Great Western route. Most importantly, the White Paper mentions a 20 per cent. increase in capacity into Cardiff at peak times by 2014. We should applaud the rail White Paper and recognise that it is in no small way due to effective campaigning by Government Members.

**Mr. David Jones** (Clwyd, West) (Con): I want to return to the question raised by the hon. Member for Wrexham (Ian Lucas)—the electrification of the Wrexham to Bidston line, which is extremely important to the economy of north-east Wales. We know that the Welsh Assembly Government were committed to that proposal before the Assembly elections, but now they appear to have shelved the scheme for up to 12 years. Does the Minister know the reason for that change of plan? Was it perhaps a concession extracted from the First Minister by his Plaid Cymru coalition partners to enable them to pursue policies that are likely to find favour in the areas where they are strongest?

**Huw Irranca-Davies:** As the hon. Gentleman knows, the decision is ultimately for the Welsh Assembly Government. However, I have heard what he has said, and we are keen to see the scheme proceed, too. The hon. Gentleman is challenging us on plans for the rail network, but in the past 10 years we have had to deal with the failures caused by the botched rail privatisation by the Tory Administration. Now, rather than offering robust policy alternatives, they are offering us a return to privatisation with threats to break up Network Rail—far from learning from past mistakes, they are condemned to repeat them.

**Albert Owen** (Ynys Môn) (Lab): I welcome the additional services proposed by Virgin Trains on cross-border and mainline services. My hon. Friend will know that one of the problems in north-west Wales is the lack of synergy between mainline services, regional services and the ferry port of Holyhead in my constituency. Will my hon. Friend bring together train operators and ferry operators to ensure that we have joined-up thinking and a truly integrated service? And will he agree to meet me to discuss that case in more detail?

**Huw Irranca-Davies:** Yes, I am open to meeting my hon. Friend and other north Wales Members who are concerned about the matter. I will take up that offer to work constructively with my hon. Friend.

**"One Wales" Document**

3. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): What discussions he has had with the First Minister since the signing of the "One Wales" document on the impact of the implementation of that document on the governance of Wales. [156152]

**The Secretary of State for Wales (Mr. Peter Hain):** We have regular ones, as we work closely with the Welsh Assembly Government to deliver for the people of the Wales.

**Mr. Evennett:** I thank the Secretary of State for his response. Is he aware that several aspects of the "One Wales" document, such as council tax relief for older people and consultation on hospital reconfiguration, originally appeared in the Welsh Conservatives manifesto? Will he guarantee that those proposals will be implemented?

**Mr. Hain:** If they are sensible proposals, they will be a matter for the Welsh Assembly Government to implement.

I assume that the hon. Gentleman agrees with the hon. Member for Monmouth (David T.C. Davies), sitting behind him, who said in *The Western Mail* on 21 September:

> "Some Conservatives like myself, and all my fellow MPs, feel we were correct to oppose the establishment of the Assembly and should continue to oppose further powers"

for the Welsh Assembly. I assume that the hon. Member for Bexleyheath and Crayford (Mr. Evennett) and Conservative Front Benchers agree with that, as

the hon. Member for Monmouth was claiming ownership of all Conservative MPs.

**Paul Flynn** (Newport, West) (Lab): Are not the Welsh Assembly Government to be congratulated on how they dealt with the recent farming difficulties—particularly the single farm payment and the recent health crises? They have been cautious, but practical and swift, in reducing the harm that was likely to be caused to the farmers. Can we now expect a hallelujah chorus of gratitude from the National Farmers Union to the "One Wales" Government?

**Mr. Hain:** If there were to be such a chorus, it would be the first. However, I agree with my hon. Friend's comments on how the Welsh Assembly Government have handled the situation.

**Mr. Roger Williams** (Brecon and Radnorshire) (LD): Yesterday's spending review will have a devastating effect on the affordability of the programme set out in the "One Wales" document. It will also show how unfair the Barnett formula is for Wales. If the Assembly review of the formula recommends that it be scrapped, will the Secretary of State campaign for reform and be Wales's man in the Cabinet, or will he remain true to form and be Westminster's man in Wales?

**Mr. Hain:** I will be both Wales's person in the Cabinet and Westminster's person in Wales, because that is my job. The hon. Gentleman has said something extraordinary. Spending, however we define it, has been increased by more than £2 billion compared with the past year, according to the pre-Budget statement yesterday. That is a massive injection: a 2.4 per cent. real-terms increase per year, and an increase over the period of 14.5 per cent. Some £2 billion extra is coming into the Welsh budget; the hon. Gentleman should be applauding that.

**Mrs. Cheryl Gillan** (Chesham and Amersham) (Con): We are always interested in what the Secretary of State says in *The Western Mail*. Given the Plaid Cymru-Labour coalition in the Assembly, how will the governance of Wales be helped by Plaid MPs calling the Chancellor's settlement for Wales the worst settlement since devolution and the Secretary of State boasting that Wales gets £1,000 more expenditure per head than England and calling Plaid "the enemy"?

Does the Secretary of State agree that in addition to discussions with the First Minister, he needs to have urgent discussions with his coalition partners in this Chamber—or does the proposal and promise of "One Wales" not apply here in Westminster?

**Mr. Hain:** For the hon. Lady's education, I should say that we have a Labour Government here. We do not have a coalition Government with anybody in Westminster, and I am pleased about that.

On the Welsh Assembly Government's position on the Budget, Andrew Davies, the Welsh Assembly Finance Minister, said yesterday:

"I am confident that we can meet the challenges ahead and deliver our ambitious *"One Wales"* programme within the level of resources announced this afternoon."

That compares with a black hole of £5.4 billion in the Tories' future public financing plans, which would result in savage cuts in the Welsh budget for public services. The hon. Lady should seek to explain that position, not to attack a £2 billion increase—a real-terms increase—in the Welsh budget over the next three years.

**Animal Health Measures**

4. **Angela Watkinson** (Upminster) (Con): What discussions he has had with the Department for the Environment, Food and Rural Affairs on the cross-border applications of emergency animal health measures. [156153]

**The Parliamentary Under-Secretary of State for Wales (Huw Irranca-Davies):** The Secretary of State and I have regular discussions with the Secretary of State for the Department for Environment, Food and Rural Affairs on a range of issues, including on animal health measures. The recent crises in animal health and our Government's reaction prove the seriousness with which we take such issues and that the procedures in place to deal with such sudden events are working well.

**Angela Watkinson:** The Minister will be only too well aware of the importance of livestock farming to the economy in Wales. He will also know that Wales is designated as a low-risk area for foot and mouth disease. However, what action would be taken if a case were confirmed in Wales?

**Huw Irranca-Davies:** The Welsh Assembly Government and DEFRA have worked closely on this matter and, as the hon. Lady is aware, many aspects of the powers on animal health measures are devolved to Wales. I applaud the way in which the Welsh Assembly Government have responded. If there were an action, measures are already in place to respond to it, but it is good to stand here and say that we do not fall within the protection zone or need to take such measures.

On farmers, the Welsh Assembly Government are seeking European approval for a lamb welfare disposal scheme, which will be of assistance, and they are also on track to start payments under the single farm payments scheme, as soon as it opens in December.

**Mark Williams** (Ceredigion) (LD): In view of what the Minister has just said will he ensure during his discussions with the Environment Secretary that the National Assembly is fully compensated for any system of compensation to Welsh livestock farmers? That should happen not least because the foot and mouth outbreak occurred in a UK laboratory—the basis being that the polluter must pay.

**Huw Irranca-Davies:** The hon. Gentleman will be aware that compensation is paid for the culling of livestock and in relation to machinery and equipment affected by disease. This case is different. As DEFRA has done in a different way throughout the rest of the UK, the Welsh Assembly has put in place measures of support for farmers. It is appropriate for DEFRA to do so in England, and for the Welsh Assembly Government to do so in Wales.

**Mrs. Cheryl Gillan** (Chesham and Amersham) (Con): Last month, the Secretary of State for Wales incredibly boasted that the Government's handling of the foot and mouth outbreak had established their

reputation for competence. Given that that assertion has been shot to pieces because the outbreak was caused by the Government's own incompetence, and that many Welsh farmers are facing financial ruin, will the Minister confirm categorically that farmers will be compensated by DEFRA to the full extent of the legal liability and that the costs will not fall on the Assembly budget? We need to know where the money is coming from for our Welsh farmers.

**Huw Irranca-Davies:** It may be helpful to clarify for the Opposition Front-Bench spokesman that, under the current devolution settlement, there are responsibilities for DEFRA and for the Welsh Assembly Government. I shall outline once again that the Welsh Assembly Government are putting support in place. That is not compensation, but it relates to support mechanisms, including light lambs and their disposal, and ensuring that the single farm payments are on track. That is different from what would have happened if there had been an outbreak in Wales, which currently, I am glad to say, we do not have.

**Employment (Swansea)**

5. **Mrs. Siân C. James** (Swansea, East) (Lab): What recent assessment he has made of employment levels in Swansea, East. [156154]

**The Secretary of State for Wales (Mr. Peter Hain):** Up to December 2006, there were over 34,000 people in employment in Swansea East, an increase of over 3,000 in two years.

**Mrs. James:** I thank my right hon. Friend for his answer. I am sure that he is aware that one of the fastest growing sectors in Wales is that of information and communication technology. There has been an increase in jobs in that sector in Swansea, East, with companies such as nSure investing and benefiting from the excellent staff and opportunities in Swansea. Will my right hon. Friend assure me that there will be continued investment in this important sector and that we will drive up employment levels even higher?

**Mr. Hain:** Yes, indeed. What nSure is doing is very good, and I notice that Swansea is leading the way with RAP International based at the Technium Swansea. Swansea university has a Technium digital base there, and there is a £3 million Boots centre for innovation, designed to assist global researchers and entrepreneurs. That is a good sign that Swansea is leading the way and becoming a city that will make a major impact in the ICT sector, which, as my hon. Friend says, is crucial to the strength of the Welsh economy.

**Nia Griffith** (Llanelli) (Lab): As well as welcoming the increase in Welsh exports, which was published last week, would my right hon. Friend join me in recognising the importance of businesses such as Machynys golf club, which bring money into Wales and provide jobs in the Llanelli area?

**Mr. Hain:** Yes, I do, and I visited the golf club with my hon. Friend. It is a good example of a world-class investment that shows that Llanelli and the whole region of south-west Wales is doing very well, compared with how it was more than 10 years ago, during the miserable experience it had under the Tories.

**Economic Inactivity**

6. **Dr. Hywel Francis** (Aberavon) (Lab): What measures the Government are planning to tackle economic inactivity in Wales. [156155]

**The Secretary of State for Wales (Mr. Peter Hain):** The Government are planning a wide range of initiatives aiming to help those on benefits back into work in Wales, including city strategy pilots in Rhyl and the heads of the valleys, and extending pathways to work to all Wales by the end of this year.

**Dr. Francis:** The Secretary of State will know about the recent Bevan Foundation study, entitled "Caring and Working? A Welsh Case Study", which addresses the barriers that carers face in returning to work. Does he agree that one of the best ways to help carers in Wales and elsewhere is to review the carer's allowance and significantly improve their respite care? Does he also agree that the Prime Minister's review of the national carer's strategy and his excellent initiative to establish a carer's commission present an ideal opportunity to assist carers and thus reduce economic inactivity in Wales?

**Mr. Hain:** Yes, I do. I commend my hon. Friend for his pioneering work in support of carers—he has done a fantastic job. The Carers (Equal Opportunities) Act 2004 took up much of that work. The Bevan Foundation publication on caring and working, which I have read, is very interesting and will inform our current debate on a national carer's strategy and our intention to publish a Green Paper once we have taken the work forward.

**Lembit Öpik** (Montgomeryshire) (LD): Wales has the capacity to become the capital of environmental industries for the United Kingdom and, indeed, Europe. Is the Secretary of State willing to meet a delegation representing environmental enterprises to discuss the potential of tackling economic inactivity throughout Wales at the same time as contributing to our sustainable agenda?

**Mr. Hain:** I would be happy to meet such a delegation. I agree with the hon. Gentleman that environmental manufacturing and environmental businesses have a vital role in a strong, modern Welsh economy, which we are building in partnership with the Welsh Assembly Government.

**John Smith** (Vale of Glamorgan) (Lab): Does my right hon. Friend agree that economic inactivity in south Wales will be greatly reduced by the military training academy at St. Athan, especially if we get the transport infrastructure right? Is he satisfied with the progress that the Welsh Assembly Government are making on that infrastructure?

**Mr. Hain:** My hon. Friend the Under-Secretary visited in the summer to look into the matter. The St. Athan project is a flagship project for Wales, which will bring in billions of pounds of investment and create

thousands of jobs. That shows the value of the partnership between our Government here in London and the Welsh Assembly Government in Cardiff, with Wales as part of the United Kingdom, not taken out of it, as the nationalists propose, or forced to withdraw as a result of the disastrous proposals of the Leader of the Opposition to create first and second-class Members of Parliament.

**Nick Ainger** (Carmarthen, West and South Pembrokeshire) (Lab): My right hon. Friend will be aware of the transformation in economic success of my constituency. Ten years ago, it was an unemployment blackspot; now it has almost full employment. However, problems remain with economic inactivity. May I draw his attention to the work of the Prince's Trust and Pembrokeshire college, which are delivering upskilling for young people, 140 of whom are based at the Cleddau activity centre, which my hon. Friend the Under-Secretary visited in September?

Wearing his other hat as Secretary of State for Work and Pensions—

**Mr. Speaker:** Order. That will do.

**Mr. Hain:** I agree with my hon. Friend that the Prince's Trust does fantastic work in Pembrokeshire and elsewhere in the country. I also agree that the transformation in the Pembrokeshire economy has been nothing short of miraculous, given the devastation that I remember seeing when I canvassed with him in the early 1990s. Now, more than 1,000 job vacancies have been advertised in his constituency alone. That shows the enormous growth in the economy in Pembrokeshire and Carmarthenshire and the fantastic potential for everybody there to do well, for people to get more jobs and to go from strength to strength.

### Cancer Treatment

7. **Michael Fabricant** (Lichfield) (Con): What discussions he has had with Ministers in the National Assembly for Wales Government on the treatment of patients from England for cancer in Welsh hospitals. [156156]

**The Parliamentary Under-Secretary of State for Wales (Huw Irranca-Davies):** I am in regular contact with all my ministerial colleagues in the Welsh Assembly Government. The Welsh Assembly Government are committed to providing a world-class health service that is available to everyone, irrespective of who they are or where they live.

**Michael Fabricant:** The Under-Secretary knows that the geography of Wales makes transport difficult. When, for example, cancer consultants are being withdrawn from Bronglais hospital in Aberystwyth and people in that part of mid Wales have to go to Caernarfon or even across to Shrewsbury for treatment, it causes genuine difficulty. Will he speak to members of the Welsh Assembly Government to ascertain whether the situation can be resolved?

**Huw Irranca-Davies:** As always, I am more than happy to take up individual issues that are raised. On the Welsh Assembly Government's commitment, the hon. Gentleman knows that, in 2007, £5.5 billion is being spent on health in Wales—more than £1,800 per person and more than double 1996-97 figures. Cancer services in Wales now receive £4.5 million extra. Record investment is showing record results.

## PRIME MINISTER

*The Prime Minister was asked—*

### Engagements

Q1. [156088] **Robert Neill** (Bromley and Chislehurst) (Con): If he will list his official engagements for Wednesday 10 October.

**The Prime Minister (Mr. Gordon Brown):** This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

**Robert Neill:** Will the Prime Minister join me in congratulating the Conservative-controlled London borough of Bromley on achieving the highest rate of dry recycling in London and on being recognised as an exemplary authority for garden and home recycling? Would he like to come and see the work that we are doing in Bromley? I could take him and show him one of our bottle banks.

**The Prime Minister** The hon. Gentleman will therefore be very—*[Interruption.]*

**Mr. Speaker:** Order. Prime Minister.

**The Prime Minister:** The hon. Gentleman will therefore be very pleased with the public expenditure settlement yesterday, which gives huge amounts of money to the environment.

**Mr. David Kidney** (Stafford) (Lab): Will my right hon. Friend take a personal interest in helping to resolve the industrial dispute at Royal Mail? I am sure that, as the owner of the business, the Government share everybody's concern about the interruptions in the cash flow of small businesses, in the contacts between constituents and their MPs and in the daily lives of all residents, including those in rural communities. Given that both sides of the dispute say that they share the same interest—*[Interruption.]*

**Mr. Speaker:** Order. The hon. Gentleman has made his point.

**The Prime Minister:** This has to be settled by negotiations between the Post Office and the work force, but there is no justification for the continuation of the dispute. It should be brought to an end on the terms that have been offered as soon as possible. I urge the work force to go back to work.

**Mr. David Cameron** (Witney) (Con): The big question this week is: can we believe what the Prime Minister says? So let us start with his credibility gulf over the election. The Prime Minister was asked,

"Hand on heart, if the polls showed a 100-seat majority, would you still have called off the election?" and he said yes. Does he expect anyone to believe that?

**The Prime Minister:** I will take no lectures from the Leader of the Opposition. This summer he was for grammar schools, against them and then for them again. He was for VAT on air fares and then against it. He was for parking charges and then against them. He was for museum charges and then against them. I will take no lectures from the Leader of the Opposition about that.

**Mr. Cameron:** He is the first Prime Minister in history to flunk an election because he thought that he was going to win it. Does he remember writing this? It is in his best-selling book about courage:

"As far back as I can remember, I have been fascinated by men and women of courage. Stories of people who took brave decisions in the service of great causes...especially when more comfortable and far less dangerous alternatives were open to them".

Does he realise what a phoney he now looks? Has he found a single person who believes his excuses for cancelling the election?

**The Prime Minister:** He talks about a clamour for an election. I looked at the Downing street website this morning. There is a petition on the website—*[Interruption.]*

**Mr. Speaker:** Order. Allow the Prime Minister to answer.

**The Prime Minister:** Certainly there is a petition on the Downing street website calling for an election. It is signed by 26 people—and not one of them is on the Conservative Front Bench. We will govern in the interests of the people, and what matters to the people is the health service, education and housing. We will govern to make housing, health and education better in this country.

**Mr. Cameron:** The Prime Minister is going to have to do better than that. Let us try another claim. Did the draft of the pre-Budget report, written before the Conservative party conference, include plans for the taxation of non-doms and the raising of inheritance tax? It is a simple question: yes or no?

**The Prime Minister:** If the right hon. Gentleman looks back to the summer and to the interviews given by the Chancellor, he will see that he talked about these very issues. We have raised the exemption on inheritance tax on 10 occasions since 1997, and we have dealt with tax avoidance in relation to non-domiciles and non-residents on many occasions since 1997. We are going to continue to take the right decisions for the country. It is very interesting that he has raised the issue of inheritance tax and non-domiciles, and I think that we can have a detailed discussion on this over the next few weeks. He will have to explain to the House, as we will explain to the House, that there are not 150,000, or even 115,000, non-domiciles who would pay this tax; there are only 15,000. When the Conservatives start to look at the official figures, they will find that they could raise only £650 million, not £3.5 billion, as they claim. As for inheritance tax—again, I welcome the debate that we are going to have in the country on this—we can exempt estates below £700,000 by 2010 and put money into health and education. The Conservative party are going to put £2 billion into giving money to those with estates above £950,000—£1 billion to those who are already rich. When the debate is held in the country, people will choose our policies and reject theirs.

**Mr. Cameron:** I tell you what: if you have got some questions about our policy, find a bit of courage, discover a bit of bottle, get in your car, go down to Buckingham palace and call that election.

The Prime Minister now tells us that he was planning to change the rules on inheritance tax and non-doms all along. He is treating the British people like fools. Next, he will be telling us how much he admires Margaret Thatcher! Let us try another example of straight talking from the Prime Minister. Your manifesto said—*[Interruption.]* The Prime Minister said that the Labour manifesto was an issue of trust. That manifesto promised a referendum on the European constitution. Do you understand how not holding that referendum damages your credibility?

**The Prime Minister:** If we were having a debate on the euro, we would have a referendum. If it was the old treaty, we would have a referendum. But because we have won in negotiations, by standing up for British interests, all the red lines that we asked for have been achieved. When the intergovernmental conference reports, he will see very clearly that these red lines have been achieved. I just ask the right hon. Gentleman to look at the issue of the referendum. Every single shadow Cabinet member who was in this Parliament in 1992 voted against a referendum on the Maastricht treaty. Every country apart from Ireland that wanted a referendum a few months ago no longer wants one. We stand up for the British national interest, and we will continue to do so.

**Mr. Cameron:** Nobody believes him. The Labour-dominated European Scrutiny Committee says that the EU treaty is "substantially equivalent" to the constitution. It says that pretending otherwise is "misleading". When Labour MPs say this, why should anyone believe the Prime Minister?

**The Prime Minister:** Because I have the report here and it makes a distinction between the treaty—*[Interruption.]* Oh yes—*[Interruption.]* Well, if people want a debate about the future, they should read the full report. It makes a distinction between the treaty itself and its effect on Britain with the protocols, the opt-ins, the exemptions, the emergency brake and the veto. What the Leader of the Opposition forgets is that we went to Brussels and negotiated for Britain the opt-out, the protocol, the opt-in and the emergency brake. We have stood up for the British national interest. That is more than the Conservative party ever did over Maastricht.

**Mr. Cameron:** What we will not forget—and what the British people will not forget—is that the Prime Minister made a promise and he has broken it. We have a Prime Minister who will not talk straight about the

election, who will not own up on inheritance tax and who will not keep his promises on an EU referendum. Never have the British people been treated with such cynicism. For 10 years the Prime Minister plotted and schemed to have this job—and for what? No conviction, just calculation; no vision, just a vacuum. Last week he lost his political authority, and this week he is losing his moral authority. How long are we going to have to wait before the past makes way for the future?

**The Prime Minister:** This is the man who wanted an end to the Punch and Judy show! This is the man who wanted an end to name calling! We are the Government who have created 10 years of economic stability in this country. We are the Government who adopted the minimum wage—against Conservative advice. We are the Government who made the Bank of England independent—against Conservative advice. We are the Government who have delivered record rises in health expenditure—against Conservative advice. We are the Government who are improving our education system—against Conservative advice. We will continue to govern in the interests of the whole country.

**Martin Salter** (Reading, West) (Lab): Yesterday the Chancellor of the Exchequer revealed that an increase in the inheritance tax threshold to £1 million would hand an eye-watering windfall of £1 billion to just 1 per cent. of the richest estates in this country. Has the Prime Minister had an opportunity to cross-reference those figures with the Register of Members' Interests to find out how many Members would benefit from the Conservative proposals?

**The Prime Minister:** Let us have this debate about the future of inheritance tax. I welcome such a debate, because there is a choice to be made between those who favour raising the threshold to £700,000 and using the extra money to spend on health and education, and those who want a £1 million threshold, which would mean giving £1 billion to the top 1.5 per cent. in this country. I know how the British people will feel about that issue: they will want investment in health and education, as well as the improvements in inheritance tax. Once the Conservative party settles down, it will realise that by publishing its election manifesto early, it has ensured that that will be dissected week by week in the House of Commons.

**Sir Menzies Campbell** (North-East Fife) (LD): As the Prime Minister has stolen Liberal Democrat policies in order to help the better-off, will he also steal Liberal Democrat policies in order to assist lower and middle-income families, and cut the basic rate of income tax to 16p in the pound?

**The Prime Minister:** We are cutting the basic rate of income tax, from 22p to 20p in the pound—but what we will not do is follow Liberal party policy, which would cut the basic rate by another 4p, costing £12 billion and putting the public finances at risk. In exactly the same way as the Conservative party, the Liberals would put the management of the economy at risk. We will not follow that policy.

**Sir Menzies Campbell:** Let us remember that the Prime Minister's cut in the basic rate is at the expense of some of the poorest people in the country. Was not the most glaring omission in yesterday's pre-Budget report statement the absence of any proposals for reform of the unfair council tax? Council tax is set to rise by twice the rate of inflation. How fair is that for low and middle-income families?

**The Prime Minister:** The right hon. and learned Gentleman should look at his own proposals. First, he faces an £18 billion black hole in his proposals. Secondly, he is not offering people a free gift on council tax, as he wants to replace it by local income tax, which would mean people paying 3p in the pound more. Thirdly, at every point where I have costed the Liberal party proposals, nothing adds up. The Liberals would be better going back to the drawing board.

**Mr. Robert N. Wareing** (Liverpool, West Derby) (Lab): The Government are giving considerable assistance to London in preparation for the 2012 Olympic games. I wonder whether the Prime Minister has considered any increase in the assistance going to Liverpool, which next year celebrates being the European city of culture. I am thinking in particular of increased funds for the Merseyside police and the local authorities.

**The Prime Minister:** I congratulate Liverpool on becoming the city of culture. Having visited the city and seen what has been done to prepare for that, I know that there is more urban regeneration place in Liverpool than at any time in the last 20 to 25 years. I would also say to my hon. Friend that the local government settlement and the public expenditure plans announced yesterday will help Liverpool and the north-west, ensuring that jobs can be created in the area and that urban regeneration continues. We will keep our promises to the people of Liverpool.

Q2. [156089] **Mr. Nick Gibb** (Bognor Regis and Littlehampton) (Con): The Prime Minister might be aware of proposals in West Sussex to downgrade the accident and emergency units at either St. Richard's hospital in Chichester or at Worthing hospital. Will he therefore clarify Lord Darzi's comment on the "Today" programme last week that his statement that the days of the district general hospital are gone applies only

"to big metropolitan capital cities like London".

Given that neither Chichester nor Worthing is a big metropolitan capital city, will the Prime Minister assure my constituents that both these excellent hospitals are now safe?

**The Prime Minister:** Obviously, I am happy to talk to the hon. Gentleman about what is happening in his constituency. I have to say, however, that he should be applauding yesterday's announcement that health service expenditure will go up from £90 billion to £110 billion. In the interests of accuracy, given that Conservative Members raised the issue throughout the summer, and listed 29 hospitals that they said were at risk or subject to reconfiguration, I should explain that it was immediately pointed out that 10 of those hospitals had no such plans. As far as the Leader of the

Opposition is concerned, on the Horton hospital in Banbury, the shadow Health Secretary said,

"We wouldn't get that wrong".

The chairman of the local heath trust then said,

"As far as the A&E is concerned, there is no threat, indeed it's rather the opposite, the board has agreed to invest additional funds".

Once again, the Conservatives cannot be trusted with the national health service.

Q3. [156090] **Dr. Nick Palmer** (Broxtowe) (Lab): In the past two weeks, we have heard alternative approaches to the taxation of foreign non-domiciles. Will the Prime Minister confirm that he is confident that the Government's approach will target people who can realistically be expected to be able to pay the tax?

**The Prime Minister:** It is right that people pay their fair share, and we have taken action against avoidance every year for the past 10 years. This will be a debate held over the next period of time, but I have to say that the proposal that we can find 150,000 non-domiciles to tax is completely wrong: only 115,000 are registered in this country, and only 15,000 have earnings and income that would allow them to consider that paying £25,000 in taxation was in their interests; others are nurses and teachers who earn little more than £25,000. When we asked where the calculations came from, first we were told that they came from *Accountancy Age*, then we were referred back to *The Observer*, and then we were referred back to a so-called tax expert, who was unnamed. Those who put forward proposals to tax non-domiciles, and say that they can raise £3.5 billion, will have to do better in future.

**Sir Patrick Cormack** (South Staffordshire) (Con): Could the Prime Minister give us a cheerful answer, and tell me whether he believes that imitation is the surest way to salvation or merely the sincerest form of flattery?

**The Prime Minister:** When we made the Bank of England independent, the Conservatives opposed it; now they support it. When we created a minimum wage, they opposed it; now they support it. When we invested in the health service, they opposed it; now they support it. I know who has been leading the argument in this country: it is the Labour party

Q4. [156091] **Dr. Alan Whitehead** (Southampton, Test) (Lab): Does the Prime Minister think that people who want to return to work but have become trapped in the incapacity benefit system should be supported and encouraged to seek and obtain work, or forced to do so by the removal of their benefit?

**The Prime Minister:** There is an interesting debate to be heard on the future of incapacity benefit in this country. My hon. Friend is absolutely right: under our proposals, 1 million people will come off incapacity benefit by 2015. Under an alternative proposal, it is said that that figure could be 1.6 million: two thirds of those currently on incapacity benefit would come off it and lose £5,000 per person. It is said that that proposal, put forward by the Opposition, would raise £3 billion. Given the number of constituents we know who are disabled and who are in wheelchairs, and the many who are mentally as well as physically handicapped, the idea that 1.6 million of 2.7 million people could come off incapacity benefit by the beginning of the next Parliament is faintly ridiculous. Given that we already expect 1 million to come off incapacity benefit, those who say that they can raise £3 billion from that proposal are, again, completely wrong.

**Rev. Ian Paisley** (North Antrim) (DUP): May I remind the Prime Minister that some time ago an announcement was made about Northern Ireland losing many of its Army installations, and a promise was made in a joint statement that the people of Northern Ireland would benefit from what was done with those areas of Government ownership? Will the Prime Minister give me an assurance today that that will be done, and will he announce the time when it will be done?

**The Prime Minister:** I hope that the right hon. Gentleman, who is the First Minister in Northern Ireland, will accept that the public expenditure settlement reached yesterday was very much in line with what we talked about previously; indeed, it was higher than the figures that I gave him before. I will certainly look at what he says about land in Northern Ireland, just as I am looking, as I promised to do, at the corporate tax regime in Northern Ireland. Perhaps we can talk about these issues at a later date.

Q5. [156092] **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): May I welcome the recent uplift in the minimum wage which is helping 90,000 people in the south-west? May I ask the Prime Minister to guarantee that the future of the minimum wage will be assured as long as he is Prime Minister?

**The Prime Minister:** The rise in the minimum wage, which came in on 1 October, is an increase from its initial £3.60, and it is now £5.35. It will continue to rise—obviously, subject to economic conditions. What we have achieved in addition to that in the last few years is a minimum wage for teenagers. We were also able to introduce on 1 October the first number of days of paid holiday entitlement for workers in this country—again, a sign that if we can keep the economy moving forward and have stable economic growth, the rewards will flow to the whole of the population, and not just to some of the population.

Q6. [156093] **Damian Green** (Ashford) (Con): The Prime Minister recently described Burma as one of the world's darkest corners and said that human rights were universal, but his Government are still trying to deport Burmese dissidents into the hands of that dreadful regime. Will he tell the House why his moral compass has failed to identify this transparent hypocrisy?

**The Prime Minister:** I will certainly look at any individual cases that the hon. Gentleman brings to me, and look at them sympathetically, but there is an appeals system and that will be dealt with.

May I say that I hope that there will be all-party support on Burma? This is a repressive and illegitimate regime. Aung San Suu Kyi was the elected democratic leader of Burma. The sanctions that we will step up in

the European Union are necessary to tell that Burmese regime that what it is doing is completely unacceptable. I hope that the Secretary-General of the United Nations will be able to lead a United Nations team that will bring reconciliation to the people of Burma.

**Mr. David Blunkett** (Sheffield, Brightside) (Lab): Does my right hon. Friend agree that the reported statement from the Association of British Insurers on future cover for flood damage is deeply unhelpful, and will lead people to conclude that the industry wishes to remove any commercial risk to its own profits and place that risk instead on current and future policyholders, including families and businesses in my own Sheffield constituency?

**The Prime Minister:** I am grateful to my right hon. Friend. I think that what the Association of British Insurers announced today is a review of its practices for the future. I hope that it will not take the step that he suggests, which might be considered, of denying people insurance. I also have to say, again in the interests of accuracy, that over the summer and very recently, the Association of British Insurers has asked that by 2011 we spend £750 million a year on flood defences. The figures that we announced yesterday are that we have raised spending on flood defences from £600 million this year to £800 million in 2011. I hope that whatever difference there is between the Association of British Insurers and us—a very small difference, on the figures involved—we can show, as a result of the Pitt report, which will come soon, that we are doing everything we can to improve flood defences in this country.

Q7. [156094] **Mr. Graham Brady** (Altrincham and Sale, West) (Con): On 20 September the governor of the Bank of England said that the market abuse directive had undermined his ability to carry out an operation that would have been in the interests of everyone connected with Northern Rock. Does the Prime Minister agree?

**The Prime Minister:** The Chancellor will make a statement on that very matter in the House tomorrow. There is an issue about the requirement to make dealings that take place to try to rescue companies transparent, and there is an issue that must be dealt with in the European Union as part of that, but other issues arise from Northern Rock which I think are probably more important for the longer term. There is, for instance, the question of how the international community can come together to arrange an early warning system when events happen in America, affect Europe and then affect the United Kingdom. On all those issues, the Chancellor will make a statement tomorrow.

**Helen Jones** (Warrington, North) (Lab): The brutal murder of my constituent Mr. Garry Newlove has highlighted continuing concerns about the effects of under-age drinking. I welcome what the Government have done so far to tackle the problem, but can my right hon. Friend assure me that he will consider what needs to be done now? In particular, will he assure me that he will try to persuade the industry to end the immoral practice of targeting alcoholic drinks directly at young people, and enforce severe penalties for those who sell alcohol to under-age youngsters?

**The Prime Minister:** I share my hon. Friend's sadness, and send my condolences to the family of her constituent.

We are committed to doing everything in our power to tackle antisocial behaviour, and specifically under-age drinking. I have appealed in the past to alcohol and drinks companies to advertise the dangers of teenage drinking far more widely. We have said repeatedly that we will fine, and impose heavy penalties in closing down, shops that sell illegally to young people. I urge councils to use their new powers to ban alcohol in trouble spots. Police already have powers to disperse young people who are involved in alcohol-fuelled disorder, and I hope that they will use their powers as well. Local authorities can designate areas in their towns, including town centres, and make it an offence to drink alcohol there. The combination of all those measures—as well as, I believe, a review of the 24-hour drinking laws—is an essential element of making it absolutely clear that teenage drinking is unacceptable at the level at which it is being carried out in our towns and inner cities, and that action must be taken.

Q8. [156095] **Lynne Featherstone** (Hornsey and Wood Green) (LD): Does the Prime Minister think it right that a pupil in my constituency receives, on average, £736 less than a pupil in an inner-London borough, although the cost of employing a teacher is the same? Will he put an end to that huge injustice, so that schools in Hornsey and Wood Green can finally be given a fair funding deal?

**The Prime Minister:** I should have thought the hon. Lady would accept that expenditure per pupil in every part of the country is rising. I hope she will accept that although in 1997 we inherited a situation in which average expenditure was only £2,500 per pupil, it is now £5,500 per pupil and rising. Of course we will continue to look at what happens in particular areas—in this case, the outer London area—but it is only because of this Government's policies in securing economic growth that every school pupil in the country is enjoying additional investment in the future.

Q9. [156096] **Mr. Tom Clarke** (Coatbridge, Chryston and Bellshill) (Lab): Given the still extremely serious situation in Darfur, will my right hon. Friend explain what steps his Government took during the recess to support Security Council resolution 1769, as well as the wider peace agreement in Sudan, in order to ensure that humanitarian aid is delivered in desperate circumstances, and that this carnage is discontinued?

**The Prime Minister:** I know that my right hon. Friend has taken a huge interest in these matters, and in the future of the whole of Africa. I think the United Nations resolution that was achieved at the beginning of the summer is now being complemented by the United Nations-African Union forces, who are ready to come to Darfur and to be there on the ground. At the same time, we want an end to hostilities, and there is a sense that all the parties in Darfur may be prepared to bring an end to them as the peace talks begin. The combination of peace talks beginning in the next few

days, and the possibility of an end to hostilities, gives us hope that this outrage—which has meant that 2 million people have been displaced, 4 million are in famine and a quarter of a million have died—can soon be brought to an end.

Q10. [156097] **Sir Michael Spicer** (West Worcestershire) (Con): When will Worcestershire get insurance-proof flood defences?

**The Prime Minister:** I hope that as a result of the announcements we made yesterday to increase the money for flood defences from £300 million in 1997 to £600 million now, £650 million next year, £700 million the year after and £800 million the year after that, the hon. Gentleman's constituency, and every other constituency where there are flood defence issues, will benefit. He might have heard the head of the Environment Agency saying this morning that it would be able to continue to spend more money on flood defences not only in his region, but all over the country.

Q11. [156098] **Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): Will the Prime Minister consider visiting Milton Keynes to see the large number of new houses being built as a result of this Government's policies, together with new schools and GP surgeries, and does he agree that building more houses is the most effective way of increasing the supply of affordable housing, and that a cut in stamp duty would simply be taken up in increased prices if demand continues to outstrip supply?

**The Prime Minister:** If we are to have a housing strategy that ensures that there is affordable housing for young couples, we need to build more houses, and the demand and supply equation must be improved. In the last 10 years there have been almost 2 million more owner-occupiers. For the next few years, we hope to build 3 million new houses by 2020. I must say, however, that Conservative councils that are resisting plans to build more houses will not help the country meet its objectives. There must be a common effort by all parties if we are to achieve the number of houses that people need.

## Health and Social Care

12.31 pm

**The Secretary of State for Health (Alan Johnson):** After a decade of unprecedented investment in the NHS, we see the results in more staff, 1 million more operations each year, 100 new hospitals, reduced waiting times and lower mortality rates, particularly for cancer and cardiovascular diseases. Having expanded capacity in the service, we can now focus even more closely on raising quality. Last week, Lord Darzi published his interim report setting out a vision for world-class health and health care in England, developed and owned by patients, staff and the public. Yesterday's comprehensive spending review settlement enables us to take the measures necessary to begin to implement that vision.

It is a good settlement for the NHS: locking in current record levels of spending and adding real-terms increases—year on year—so that total health spending will rise from just over £90 billion in 2007-08 to £110 billion in 2010-11. That represents a real-terms increase of 4 per cent. a year on planned spend, compared with an historic average of 3.1 per cent. In 18 years under the Tories, real-terms growth was 3 per cent. In the five years up to 1997, it was 2.6 per cent. In 14 years under Labour up to 2010-11, real-terms growth will average 5.6 per cent. That extra funding is essential if we are to meet the challenges of an ageing society, the opportunities of new technology and the demands of rising public expectations of what a health service in the 21st century should deliver. I am proud that it is a Labour Government that have delivered, and will continue to deliver, these necessary increases in funding.

Lord Darzi's interim report drew out four overarching themes for the NHS over the next 10 years: fairness, personalisation, innovation and safety. First, an NHS which is fair: no single institution has made a greater contribution to social equity in this country than the NHS, yet 60 years on, whilst the health of all income groups has improved dramatically, stubborn health inequalities remain. We will begin to address one important element of this problem with a new £250 million access fund that will deliver at least 100 new GP practices in the 25 per cent. of primary care trusts with the poorest provision. These practices will bring the most modern health care models direct to the nation's most deprived areas. They will offer an innovative range of services, will be open for longer, and will have a specific remit to prevent ill health rather than simply treat it. That is crucial when lifestyle choices are responsible for as much as half of the gap in health outcomes.

Secondly, we want an NHS that is personalised. That means that GP practices should fit around people's lifestyles, not the other way around. We have set a clear aim that, working with new and existing GP practices, we will ensure that at least a half of all surgeries are open either at weekends or after work. We will also explore all the options for making it easier to see a GP nearer to the workplace for those who commute.

The new access fund will also establish at least 150 new GP-run health centres in easily accessible locations, open seven days a week from 8 am to 8 pm. These will offer bookable appointments, walk-in services and, in some cases, access to physiotherapy, diagnostics and social care services. There will be at least one in each PCT area.

More than a third of GP time is spent dealing with mental health problems, from which one in six people suffer at any one time. Mental illness accounts for 40 per cent. of those on incapacity benefit. Prescription medication provides a successful treatment for many, but we know that psychological therapies work equally well, and often prove to be more effective in the long term. The time has come to do much more to help those with depression and anxiety.

I can announce today—which is, of course, world mental health day—that we will build a groundbreaking psychological therapy service in England. Backed by new investment rising to £170 million by 2010-11, the service will be capable of treating 900,000 additional patients suffering from depression and anxiety over the next three years. Around half are likely to be completely cured, with many fewer people with mental health problems having to depend on sick pay and benefits.

Thirdly, we want an NHS that is innovative. British scientists have been responsible for discovering some of the most important medical breakthroughs in history. In this modern age of rapid medical scientific and technological advance, we must ensure that the NHS remains at the cutting edge of developments in products, processes and procedures.

We will establish a new health innovation council to drive a more innovative NHS, identifying and removing barriers to change. The council will bring together all the splendid work that is going on, from discovery through development to adoption, and ensure that ideas can pass efficiently from the labs to patients without any compromise to patient safety. In addition, we will set up a new £100 million fund for innovation jointly funded with the Wellcome Trust.

We will also expand the single fund for health research to £1.7 billion. In the 18th century, Edward Jenner discovered the smallpox vaccine. In the 19th century, British scientists developed anaesthetics and antiseptics. In the 20th century, Alexander Fleming discovered antibiotics. In the 21st century, we want British scientists to combine to lead in the fight against global killers such as cancer and HIV/AIDS.

Fourthly, we want an NHS that is safe. Health care-acquired infections are a growing problem around the world. Hospital cleanliness should be the last concern of patients and the first duty of everyone in the health service. We have announced that all hospitals will be deep cleaned at least once a year. Isolation wards will be extended wherever possible, and we will empower and encourage matrons and nurses to use their expertise to fight infection on the front line.

The Health and Social Care Bill contained in our draft legislative programme will provide the new health and adult social regulator with tougher powers, backed by fines, to inspect, investigate and intervene in those hospitals that fail to meet hygiene and infection control standards. As Lord Darzi recommended and the CSR provides for, we will invest £130 million to introduce MRSA screening for all admissions, elective and

*[Alan Johnson]*

emergency, over the next three years. We will also put a further £140 million into reducing clostridium difficile infection rates.

To develop an NHS that is clinically led and locally driven we need more local accountability. I have already said that there will be no top-down structural reorganisation of strategic health authorities and primary care trusts for the foreseeable future. Although we must ensure minimum standards, we will not impose a swathe of new targets. We know that future improvements will come from more local ownership, fewer top-down targets and concentration on better health outcomes.

As Lord Darzi has said, any change to NHS services must clear a high clinical bar, based on full engagement with patients and the public. Ensuring that the health service is clinically led will be pivotal to ensuring that the service moves from good to great—world class in all aspects instead of just some. How we match local ownership with greater local accountability will be one of the principal aspects of Lord Darzi's continuing work.

The historical problem for the health service has been under-investment. The challenge today is to ensure that we maximise the potential of this unprecedented level of increased investment. The public want more money to be spent on the NHS, but they also require it to be spent well. Measuring productivity when quality of care is paramount is not an easy task, as Wanless highlighted recently. The better care, better value indicators, published yesterday, showed that £363 million of productivity improvements were achieved last year. Those first-step savings came from reducing the length of stay and from increasing prescriptions of low-cost generic statins for patients with high cholesterol. Those gains are modest but they point to the potential of what can be achieved without compromising patient care.

We must now look to build on these achievements, systematically and sensibly. Over the course of this spending round, the NHS will deliver average value for money gains of 3 per cent. every year, releasing more than £8 billion a year by 2010-11 to spend on front-line care. There are some obvious areas that can contribute in that difficult task. Improving community-based services so that people with long-term conditions can receive greater support in the community could bring savings of about £500 million a year. Intervening with preventive action, such as regular health check-ups, when someone is at risk of illness could reduce the costs of chronic lifestyle diseases such as diabetes, heart disease or lung cancer. Spreading new technologies and best practice across the health service could lead to savings of £1.5 billion a year. Improving procurement could save £1 billion a year, and by introducing MRSA screening for all admissions we can reduce the risk of huge costs occurring later.

In the face of unprecedented demographic change, it is clear that our social care system needs to respond. The Chancellor has announced that we will develop a Green Paper exploring options for reform, with the aim of increasing dignity and reducing dependency for those who rely on our social care systems. The social care settlement is divided into two parts: local government grant and direct funding from my Department for social care. The local government support grant will increase by £2.6 billion by 2010-11 and direct funding from the Department of Health for adult social care, which covers, for example, carers, mental health and the social care work force, will increase by an average of 2.3 per cent. a year in real terms, worth £190 million.

That funding will enable social services to do more to give service users and their carers greater choice and control over the way in which their needs are met. In particular, the investment will enable further expansion of care tailored to the individual; it will go into prevention and improving people's quality of life. It will enable more individuals to live independent lives in their own home. But as the Wanless report on social care identified, we need a radical rethink about how we fund that crucial element for everyone in need, not just the elderly, in the future. The Green Paper will begin that important process.

Those are our concrete plans for future investment in the NHS, which our party created and then rescued from Tory decline. The Opposition promise to spend £2 billion on a tax cut for a wealthy elite, whereas we will spend that money on delivering a better health system for all our people. They have a black hole to fill and a dilemma to fix: either they break their promise on inheritance tax or they break their commitment to match our investment in the NHS.

Lord Darzi and his team of 1,500 clinicians will finalise the NHS next stage review in time for the 60th anniversary of the NHS. This is an exciting time for everyone involved in health care, but as the comprehensive spending review demonstrated, it is patients and the public who will continue to benefit from a national health service that is rising to the challenges of the 21st century. I commend the statement to the House.

**Mr. Andrew Lansley** (South Cambridgeshire) (Con): I am grateful to the Secretary of State for the opportunity to see the statement in advance. I am sure that the House will be grateful for the opportunity to debate the announcements on health spending that were made yesterday, and indeed Lord Darzi's interim report, which was mysteriously brought forward to be part of what we have just heard from the Secretary of State—a cobbled-together, pre-election series of announcements, which add up to no vision at all for the future of the national health service.

Where was the reference to patient choice in what the Secretary of State had to say? Where was the reference to a voice for patients, a voice that the Government have persistently taken away from them? Where is the freedom for doctors, nurses and NHS professionals, so that they can deliver the care that they want for their patients, free from top-down targets? Where are the separate public health investment and the dedicated resources for delivering on public health measures, which have failed under the Government in the past decade? Where was the reference to an NHS that is open to new providers, bringing in new investment and new capacity? In contrast, over the past year the Government have cut the national health service's prospective building budgets.

The Secretary of State talked about Derek Wanless. Let me remind him that last month Derek Wanless reviewed the report that he gave to the Prime Minister. He said,

"what is equally clear from this review is that we are not on course to deliver the sustainable and world class health care system, and ultimately the healthier nation, that we all desire."

And why? Because none of the three requirements that Wanless set out five years ago—the need to improve productivity, technology and public health—has been met. There was nothing about improving public health in what the Secretary of State had to say. There was nothing about technology or the review, which is absolutely necessary, of the NHS IT programme.

On productivity, we all know, as do people working in the national health service, that what really matters is not just the resources that they receive, but the ability to deliver improving and effective care as a result of them. However, in reality, under this Government there has been bureaucracy, over-regulation, distorting top-down targets and declining productivity. The Office for National Statistics made it clear that there has been a 1.3 per cent. a year reduction in productivity in health care. Just last month, it said that there was a 2.1 per cent. a year reduction in productivity in social care.

The Secretary of State reiterated the numbers from yesterday's comprehensive spending review statement, but as always with this Government, and in particular with this Prime Minister, one has to look at the small print. The Secretary of State says that there is a 4 per cent. real-terms increase, but in reality, in the Budget in March this year, the then Chancellor of the Exchequer took £2 billion out of the national health service's planned capital budgets. Yesterday, the Chancellor of the Exchequer said that he would put that £2 billion back in by 2011, but of course, as he had reduced the denominator, he made the percentage increase look larger than it would otherwise have done. If the £2 billion that had been taken out in March was still in planned Department of Health spending, the real-terms increase to 2011 would have been just 3.2 per cent. That is less than half the rate of increase of recent years and, indeed, well below the 4.4 per cent. minimum real-terms increase that Derek Wanless recommended to the then Chancellor five years ago.

The NHS needs certainty. Given that the Government have failed on reform and that the NHS needs a new Conservative Government as soon as possible who will deliver that reform, I make it clear to the House that a Conservative Government will match the Government's proposed health spending through to 2011. But we will spend the money better. We will not be a Government who cut 8,000 beds as a consequence of financial deficits when patients are contracting hospital-acquired infections because of excessive bed occupancy. We will not be a Government who permit a situation where 14,000 junior doctors apply for training posts and do not attract them in the first round. We will not have a situation where trained nurses, physiotherapists and midwives who are needed in the NHS cannot find jobs. We will be a Government who deliver better productivity.

The Secretary of State said that 1 million more operations were taking place. If the productivity gains before 1997 had continued since then, there would be 2 million more operations taking place in the NHS rather than 1 million, and waiting lists would be a thing of the past.

What have we heard from the Secretary of State? He has given us re-announcements—I have the details here, should hon. Members wish to see them. In January 2006, the previous Secretary of State said that the Government were going to remedy the failures of their own general practitioner contract and secure more GPs in deprived areas. Two years ago, we were told that that would be done with immediate effect—that did not happen. In January 2006, we were told that there would be extended opening hours for GPs, but that has not happened and the Government are re-announcing the measure now.

The Secretary of State said that there will now be money for screening for admissions to hospital. Does he not know that such a provision is already in the published code of practice, which was debated in this House, but it just has not been implemented? He is now borrowing our policies. In our manifesto for the last general election, we made it clear that we would provide additional resources for the rapid screening of patients for hospital-acquired infections. It has taken two and a half years for the Government even to catch up with our policies.

The Government's latest announcements contain a U-turn in respect of individual budgets that embrace both health care and social care. We have recommended that. If the Secretary of State were to think back to January 2006 and the White Paper, he would recall that when I challenged his predecessor to do precisely that, she and the Government said that they would not do so. They have now had to do a U-turn and accept Conservative policies.

On social care, the Government have failed time and again. The Secretary of State talks about a partnership model, but the King's Fund report made it clear that Kent county council, a Conservative local authority, had undertaken a pilot project on a partnership model and wanted to do further analysis. What did the report say? It stated:

"In the end, Kent County Council found there was no appetite from either the Department of Health or the Treasury to fund further modelling on how such a scheme could be implemented, each department wanting the other to sponsor the work."

The Government cannot join up the work of Departments—in fact, there is not even a joined-up approach inside the Department of Health.

Today's social care announcements are for a 1 per cent. real-terms increase in social care budgets in local authorities, the effect of which will be to create additional charges for adult social services in local authorities across the country and to force an increase in council taxes. Those will be the consequences, but what we need are individual budgets and the greater efficiency that will come from them.

I welcome the Secretary of State's comments about support for talking therapies and mental health services. Professor Layard and my colleagues have been asking for just that. Is the Secretary of State confident that the thousands of additional counsellors and therapists needed to make that happen will be available? Does he see this as reflecting the pilot in Newham, which has an integrated model with other agencies, or is it closer to the one in Doncaster?

*[Mr. Andrew Lansley]*

What we have heard today contains no vision, but it does contain re-announcements of things that the Government have said before and policies stolen from the Conservative party. The Government are flagrantly unwilling to apologise for the cuts and closures that are happening in the NHS across the country because of their failed management. We have a Secretary of State who has no ideas of his own, a Government who have no chance of delivering change and a Labour party that has no hope at an election now or in the future.

**Alan Johnson:** That was very disappointing. The hon. Gentleman has been on the Front Bench since 2003, but nothing in his contribution takes us any further forward on health policies.

Let me deal with the first point, because it shows how pathetic the Opposition are getting. We have heard criticisms, the first of which was that we brought the Darzi report forward—another was that the Prime Minister opened a hospital twice. On the first point, I must point out to the hon. Gentleman that on 4 July I said in this House that Darzi's interim report would be presented in three months—it was presented on 4 October, which was exactly three months later—and that it would come before the comprehensive spending review.

On the hospital, I must admit that I was rather crushed when I visited that splendid new facility in Basildon, of which we should all be proud, where some £60 million has been invested in cardiothoracic surgery. It was so exciting that I asked whether I could open it. I was told by the people running it, "No, we have asked the Prime Minister or the Queen to do it." That put me in my place. Indeed, they wrote in early July to ask the Prime Minister to open it in October. Unless the Conservative party has been so long out of government that they have forgotten that many buildings open and then are officially opened some time afterwards, it is a strange—

**Mr. Graham Stuart** (Beverley and Holderness) (Con): Say something of substance.

**Alan Johnson:** The hon. Gentleman asks me to say something of substance. Well, I could mention the new community hospital being built in Beverley, which he curiously never mentions in any debate on health.

The hon. Member for South Cambridgeshire (Mr. Lansley) also said that we have somehow abandoned choice and abandoned new providers. The Minister of State, Department of Health, my hon. Friend the Member for Exeter (Mr. Bradshaw), has been talking all morning to the independent sector about precisely the announcement that I have made about introducing these new, state-of-the-art facilities, which will be open from 8 am to 8 pm, seven days a week, into 150 PCTs around the country. We are talking to the independent sector all the time. I have made it clear in the House that we will judge the use of the independent sector on whether it can add to capacity, whether it provides value for money and whether it can improve the service.

The hon. Member for South Cambridgeshire also mentioned Wanless. I shall make it clear what his report said:

"The funding increase has helped to deliver some clear and notable improvements more staff and equipment; improved infrastructure; significantly reduced waiting times and better access to care; and improved care in coronary heart disease, cancer, stroke and mental health."

Wanless also says that

"the direction of health care policy now being pursued by the government"

is

"correct to address the key challenges identified in the 2002 review."

For good measure, he said:

"The NHS is now in better shape than in 2002 to deliver improved quality and increased productivity".

I will swap Wanless quotes all day.

The hon. Gentleman also raised an important point of substance on productivity, which I mentioned in my statement. I said how difficult this issue was and that we have made modest gains over the past year. As he well knows, the difficulty is that people can examine two calculations. One can show that productivity has declined by 7 per cent. since 2002 and the other can show that it has increased by 8 per cent. The problem is how one defines quality of care when examining productivity. GPs now spend four minutes more with each patient than they did in the early '90s. The onus must be on spending more time and personalising care. The National Audit Office and others have found it almost impossible to define how one puts quality into productivity considerations. That is the dilemma. It is not that NHS staff are not working hard and doing their best: it is about how we reflect that in the statistics.

The hon. Gentleman also talks about the 4 per cent. real-terms increase. This is an amazing continuation of record investment in the NHS. It is a 4 per cent. increase on forecast spend in this year. He promises to match it, and he also suggests that the Conservatives will go further on social care. That will just add to their black hole problem. Incidentally, the most recent document that I have read on their policies in this area contained just one sentence on social care.

We are saying that the 2006 Wanless report was a very important contribution. We need to move forward on it now, because Wanless made some important points, not least of which concerned the need for a partnership to cope with social care. He was examining how we provide proper social care in 2026.

Our self-regard increases all the time as the Opposition nick our policies, but let us get this straight. They have now signed up to the NHS funded by the taxpayer. The patient passport, which was their policy, has gone. They have signed up to the idea of the NHS 60 years after we created it, having opposed it bitterly when it was introduced. They have signed up to the 10 core principles of the NHS plan, which we introduced in 2000 and they opposed. They have just come round to signing up to the spending commitments that we agreed in 2004. Accusing us of nicking their policies is rather rich coming from a party that has decided at last that it cares about the NHS. The public will see through that.

**Mr. Kevin Barron** (Rother Valley) (Lab): I welcome my right hon. Friend's statement and its implications, particularly the £250 million access fund to open up another 100 GP practices in areas where there are great health inequalities. That is not rocket science, yet for 60 years areas of the country have had high ill-health indices and high levels of health inequalities, but have not had the high levels of activity in the national health service that there should have been. Patient-GP ratios are a simple measure showing where we should be working. In some areas those ratios are far too high. I welcome the Government's revolutionary initiative. To say that it is not new is nonsense—it is new, and it is welcomed by those who represent areas such as mine.

**Hon. Members:** Answer that!

**Alan Johnson** *rose—*

**Mr. Speaker:** Order. The right hon. Member for Rother Valley (Mr. Barron) did not ask a question. So far there have not been many questions. Perhaps we can have questions from now on.

**Alan Johnson:** One thing that cannot be denied is the enormous contribution that my right hon. Friend has made over a number of years. He will remember the Black report, which was commissioned under a Thatcher Government to look at health inequalities. It was published on a bank holiday Monday, 260 copies were produced and it disappeared without trace. The Conservatives did nothing about health inequalities, apart from worsen the situation.

My right hon. Friend is right. The Opposition say that there is nothing of substance in the statement. However, we have announced £170 million to be spent on psychological therapy services, £270 million on health care-acquired infections, £250 million on access, part of which is for the crucial 25 per cent. of PCTs with the least provision, and £100 million on innovation. That is not bad for a seven-minute statement.

**Norman Lamb** (North Norfolk) (LD): I thank the Secretary of State for early sight of the statement. In his response to the hon. Member for South Cambridgeshire (Mr. Lansley), he referred to the fact that he had delivered the interim report exactly three months after he had promised to do so, which was before the summer recess. That must be the first time ever that a Government report has been published on time. I congratulate the right hon. Gentleman on his impeccable timing.

I start by acknowledging the good things in the report. We warmly welcome the extra investment in psychological therapies, which is long overdue. There are many people languishing on incapacity benefit who could be helped back to work but who are not getting the help that they need. I also welcome the announcement on screening for hospital-acquired infections—a necessary change. I hope the Secretary of State agrees that there should be a zero tolerance of low hygiene standards, following the Dutch example, which nails down the standards expected in hospitals.

I welcome the greater flexibility in accessing GPs and the focus on securing more access to GPs in the most deprived communities. The fact that people in those communities have poorer access to primary care is wholly unacceptable. If the proposal starts to address that, it is a good thing. The statement refers to local accountability. For a long time the Government have used the rhetoric of local accountability, but what does it mean? Will there be any substance to the assertion that it is important to listen to local communities and that they should have a say, rather than just staff having a say, important as that is? Innovation and spreading best practice are clearly good things. Is it right, though, to set up another quango to deliver them? Is that necessarily the best way of achieving the aim? How will it sit alongside the National Institute for Health and Clinical Excellence, which already does work in this area?

The statement gives little attention to care for elderly people—*[Interruption.]* The Secretary of State laughs, but this is an important issue. Is not Niall Dickson of the King's Fund right that the failure to support frail and vulnerable older people is one of the unrecognised scandals of our time? Although I welcome the tentative step towards some sort of resolution, is not the issue far more urgent than the Government acknowledge? The royal commission in 1999 recommended free personal care. The Liberal Democrats forced such a provision through in Scotland, and we want people in the rest of the UK to benefit in the way that people in Scotland already do. *[Interruption.]* The Tories scoff, but it is a question of priorities. They prefer to give tax cuts of £300,000 to millionaires. We think that people who lose everything when a loved one develops dementia are a greater priority. Does the Secretary of State acknowledge that the Joseph Rowntree Foundation found that in Scotland there is more care as a result of the introduction of free personal care, more innovation in services and public support for the policy in Scotland some years after it was introduced? Is not the truth that the funding of social care—care for the elderly—continues to lag scandalously behind other funding?

The pre-Budget report highlights the fact that there is a 4 per cent. increase in NHS funding, which is absolutely necessary, but just a 1 per cent. increase for social care provided by local authorities. What is the justification for care for the elderly having such a low priority in the overall funding settlement? In the Department's budget for social care initiatives, why do we have to wait until 2010-11 before the bulk of the extra funding comes through, with very little extra funding next year or the year after? Is not the reality that social care continues to be cut and that yesterday's statement will do nothing to change that?

Is it right that there should have been a 25 per cent. drop in households receiving domiciliary care in the past 10 years? The criteria tightened massively so that only the most urgent cases receive support, and charges were massively increased for people needing care in their own home. Is that not unacceptable treatment of elderly people? Why will we have to wait an interminable length of time before any reforms come in? Will the review include respite care? When I spoke to carers last week, they made it clear that their top priority was gaining access to respite care, which is unavailable to many people in many parts of the country.

What is the timing of the review? When will concrete proposals be introduced and will the review be given priority? Is there any real hope of reform, given that

*[Norman Lamb]*

public finances are much tighter? Why, when yesterday's statement perpetuated the funding crisis for elderly care, should we have any confidence that the Government are genuinely committed to badly needed reform?

**Alan Johnson:** I thank the hon. Gentleman for congratulating us on probably the only report delivered on time. We should proceed on that basis in future.

On the question of how we develop the psychotherapy proposals, we are running trials, and we will extend the pilots to inform the way in which we introduce the measures. The aim is to provide a groundbreaking network right across the country, which will be set up during the comprehensive spending review period.

In a balanced contribution, the hon. Gentleman's other positive point—I will address his criticisms in a moment—concerned the introduction of pre-screening across the health service. In the Netherlands, the incidence of MRSA was reduced to 1 per cent. over a long period, and one of the biggest factors was the introduction of pre-screening everywhere. As the hon. Member for South Cambridgeshire mentioned, many hospitals pre-screen for elective surgery, but the introduction of pre-screening for emergency care requires isolation facilities. Reducing the length of the testing process, which is between 24 and 48 hours, is important. New technologies will allow us to do that and open up a new war against MRSA.

The hon. Gentleman made an important point about local accountability. If politicians are removed from the process of reconfiguration, it will be clinically led. I have removed myself, so if a case is passed to me, I will pass it to the independent reconfiguration panel, which is clinically led. If that is to become a permanent arrangement, which is what Lord Darzi is considering, we need proper local accountability in the system. The hon. Gentleman is right that we should listen to local communities, and that will be a big part of Lord Darzi's final piece of work heading towards the report next year.

On innovation, a quango will not be involved. I understand the point about the other initiatives and NICE, but the organisations involved have welcomed the setting up of the innovation council, because, as I said in my statement, a lot is happening on development. There is no overarching view, which is what the innovation council will bring. The Wellcome Trust is enthusiastic, and I think that the scheme has achieved widespread buy-in. I assure the hon. Gentleman that there is no danger of duplication.

The hon. Gentleman made a long contribution, and I am trying to respond to the issues he raised. In his criticisms, he stated that we should go down the Scottish route and provide free care for the elderly, but that is not what the Wanless report states. The hon. Gentleman is sitting close to the hon. Member for Romsey (Sandra Gidley), who is a Front-Bench health spokesperson and who said in the House that she regretted the fact that her party's manifesto had misled people to believe that care could be free. There is a disagreement not only between the hon. Gentleman and Wanless, but between the hon. Gentleman and the person who is two seats away from him.

**Mr. Lansley:** Hardly a surprise.

**Alan Johnson:** Wanless did not go for a soft option. The Scottish route would be a soft option.

**Mr. David Kidney** (Stafford) (Lab): It is unaffordable.

**Alan Johnson:** It is not only unaffordable. In Scotland, the cap on payments is £214 a week, and the average cost of health care is £217 more than that. The majority of people in Scotland pay for health care for the elderly, which is why Wanless examined an affordable and sustainable solution.

I have detained the House far too long. The hon. Gentleman has raised some important points, which we will debate at length at some stage. However, he should have welcomed the whole statement rather than some of it.

**Mr. Bob Laxton** (Derby, North) (Lab): May I tell my right hon. Friend how much I welcome the visionary decision to put £170 million of new money into psychological services? Mental health trusts in Derby city and Derbyshire serve patients who in some cases have waited two years to access those services. Where will we get the clinicians, psychiatrists and therapists? Furtherthermore, there are serious organisational deficiencies around the country in how services are provided, not least in Derbyshire.

**Alan Johnson:** My hon. Friend is right about the urgent need to introduce such services. We made that manifesto commitment in 2005 and examined some pilots. We must secure the resources and tackle the organisational problems that my hon. Friend rightly raised. We do not intend to wait for the end of the three-year period, and we will immediately start to recruit extra staff and set up centres across the country to allow us to deal with the 900,000 people who are just offered drugs, when many of them would find therapy far more effective.

**Sir Nicholas Winterton** (Macclesfield) (Con): During the recess, I became involved in the case of an elderly, retired farmer living in a rural area who was terminally ill—he was on both morphine and oxygen. I was incensed that the local PCT would not provide continuing health care—free care at home—for my terminally ill constituent. Social services found it extremely difficult to provide any form of care at home, and the family had to carry an unfair burden. Must not the Government and the national health service address such cases? That man, who was dying, deserved free care so that he could die with dignity.

**Alan Johnson:** If the hon. Gentleman writes to me about that case, I will look into it. We issued new guidance on 1 October, because, as he rightly pointed out, the issue is important. This is a dreadful American phrase, but the NHS was not particularly good at "end-of-life issues"—indeed, there was an element of postcode lottery. The hospices were set up to counter the fact that the NHS was not concentrating on that issue as much as it should have done, but the situation is changing. One of Lord Darzi's clinical review groups is considering that issue, and Lord Darzi will report on it next year. The guidance that we issued on 1 October

was meant to address some of the points raised by the hon. Gentleman. The case that he described may have occurred in the recess before 1 October, but I want to look into it, because I agree that it is unacceptable.

**Joan Walley** (Stoke-on-Trent, North) (Lab): May I tell my right hon. Friend how much I welcome the statement and everything that it does to tackle health inequalities, particularly in areas such as Stoke-on-Trent? Last week, I visited North Staffordshire Carers Association, and I am sure that it will welcome the extra £190 million that will be available nationally. The real issue, which Opposition Members have raised, concerns social care and the Green Paper. Will my right hon. Friend hold urgent talks with the Alzheimer's Society on how we can ensure that the radical rethink will enable all the people who need extra social care to be treated with dignity?

**Alan Johnson:** My hon. Friend is right to raise that important issue. In the spring, we will publish our new deal for carers. I recently attended a reception in Bournemouth, where all the charity organisations and voluntary groups were enormously excited about the level of consultation on the new strategy. We have a new approach to dementia, which we need to tackle more intensively. Along with many other mental health problems, it is an important issue, but it has not been at the top of the agenda—in some cases, it was not even considered important, although it is the single biggest cause of ill health in this country.

**Dr. Richard Taylor** (Wyre Forest) (Ind): Will the Secretary of State accept that more deaths result from preventable venous thrombosis in hospitalised patients than from MRSA? Does he support measures to make risk assessment mandatory, which would result in wider prevention?

**Alan Johnson:** Lord Darzi is considering that specific issue. Indeed, I believe that he recently spoke to the hon. Gentleman.

**Dr. Taylor** *indicated dissent.*

**Alan Johnson:** If Lord Darzi has not done so, he will be in touch soon, because he wants to talk to all the members of the Health Committee. We have an enormous amount in common on that issue—whether we can proceed as quickly as the hon. Gentleman would like is another thing—and I think that that conversation should take place.

**Lynne Jones** (Birmingham, Selly Oak) (Lab): It is great news that the Government are investing much more in psychological therapies, which is surely an example of spending to save. However, if we are not going the full hog and adopting the recommendations of the royal commission, why are we waiting to implement the reforms on social care recommended by Wanless? I know that that would cost money, but yesterday the Government found money to help the winners in the lottery of life—those who will not develop dementia or other conditions that require long-term care and who have assets in excess of £350,000. Does my right hon. Friend agree that a Labour Government should give priority to the losers in the lottery of life who develop such conditions, end up having to sell their homes and have no inheritance tax for the Government to take?

**Alan Johnson:** Wanless was considering a vision for social care in 2026. His report came out in 2006. We need to appraise it, and achieve close integration between Government Departments before we can begin the debate with a Green Paper. That does not mean that nothing will happen on social care between now and the publication of the Green Paper—and the debate on it. For a start, there has been a 39 per cent. real-terms increase in the money invested in social care since 1997. Secondly, a concentration on individual budgets and individualisation is being led by authorities around the country. Recently, I was in Barnsley, where terrific things are being done. The settlement will allow us to move that forward.

The situation is much like that relating to pensions a few years ago. We need cross-party consensus, because we are looking towards 2026. It does not have to be done this way, but we need a Turner report on social care that can cross boundaries that have never been crossed before. The NHS has never provided social care free of charge; it did not do so under Nye Bevan, and it does not do so now.

**Angela Browning** (Tiverton and Honiton) (Con): Will the Secretary of State reflect on the false economy of removing fundamental services across health and social care and on its consequences? This week, a report from Age Concern about the consequences of the removal of chiropody services on the frail elderly was published. If people cannot cut their own toenails—a pretty basic thing—and have no one to do it for them, they may fall over trying to do it themselves, which can be life threatening. They become less mobile. I hope that the Secretary of State will take account of that sort of thing, at that very basic level, as he seeks to improve services.

**Alan Johnson:** As always, the hon. Lady makes a sensible and pertinent point. Incidentally, Help the Aged has welcomed our commitment to a Green Paper and is part of the consensus on the need to discuss Wanless seriously, as grown-up politicians, and find agreement. The very point that she raised is why the issue is so important, because we now find in some areas that only those in need of the most desperate care are provided with help. People with serious needs, such as the elderly person mentioned by the hon. Lady, find that their services have been cut, and we need to address that. As Wanless pointed out, the cost of doing so effectively for everyone—given an ageing population, demographic change and all the other things that we know about—would take up the whole pot of public money. We will have to find a solution that is different from the one found in Scotland.

**Chris Mole** (Ipswich) (Lab): I welcome my right hon. Friend's comments about spreading new technologies and best practice, and I urge him to ignore the sniping of the hon. Member for South Cambridgeshire (Mr. Lansley) about the connecting for health programme. I used the recess as an opportunity to see the photo electron and x-ray—PAX—digital programme at Ipswich hospital, which is absolutely

*[Chris Mole]*

fantastic. It delivers improved diagnostic imaging, which elicited unrequested congratulations from members of staff on the quality of the investment that the Labour Government have made in the PAX programme and on the benefits to them and their patients, as well as the savings—

**Mr. Speaker:** Order. The hon. Gentleman and other hon. Members should be putting questions. The hon. Gentleman can write to the Secretary of State and tell him what he did during the recess.

**Alan Johnson:** The gist of my hon. Friend's contribution was absolutely right.

**Mike Penning** (Hemel Hempstead) (Con): What was the question?

**Alan Johnson:** The question was about whether I agreed that lots of good things were happening in new technology in the NHS, and I am happy to say yes.

**Ann Winterton** (Congleton) (Con): Why was there an important omission from the statement? Will the Secretary of State confirm that the GPs in all the new medical centres that he proudly announced will be free to prescribe what they consider the most appropriate and best medication for patients with conditions such as Alzheimer's and age-related macular degeneration? There should be not only social equity but health equity between some of the most vulnerable and elderly people in England and their counterparts in Scotland and Wales.

**Alan Johnson:** Unless I am wrong, Opposition Front Benchers would not go back to pre-NICE days.

**The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis):** The hon. Member for South Cambridgeshire (Mr. Lansley) would.

**Alan Johnson:** Well, I can happily say that I am not prepared to go back to those days. One of the world-class features of our NHS system that people around the world try to imitate is NICE. For the first time we have a system under which it is compulsory for all parts of the NHS to offer a drug, provided that it has been approved by NICE, which was a huge step forward. We could not go back to the days when it was up to a GP to decide such things, without a proper clinical examination.

**Mrs. Joan Humble** (Blackpool, North and Fleetwood) (Lab): I welcome the announcement of additional funding for social care and a radical rethink in social care. However, as well as being radical, will the rethink be careful? Vulnerable adults and frail elderly people are already anxious about the services that they receive. They need reassurance that they will continue to receive support. They also need reassurance that their voices will be heard in any development of new services.

**Alan Johnson:** My hon. Friend is right. As I mentioned earlier, tackling the Green Paper does not mean that everything goes on hold. That additional funding is another real-terms increase on top of the 39 per cent. real-terms increase in social care. It is a combination of the funding from the Department of Health and from the Department for Communities and Local Government that goes to local government. That funding will result in far greater independence for the vulnerable people whom my hon. Friend mentioned.

**Andrew George** (St. Ives) (LD): May I tease out the limits—if there are any—to what the Secretary of State described in his statement as the matching of local ownership and greater local accountability in Lord Darzi's work? I am thinking especially of the integration of all health care with social care. Would the Secretary of State be prepared, for example, to consider local authorities taking on entirely decision making and budgetary control from PCTs?

**Alan Johnson:** "Steady as we go", is the answer to that question. I am not yet able to say that we are getting to that position. However, in many local authority areas somebody from local government is on the PCT, so there is far greater integration. I do not know whether that is the final solution to the issue. I accept that I do not have the solution; I just know that Darzi's work is important to ensure local accountability. Otherwise if we remove politicians at national level and there is no increased accountability further down the system there will be a gaping hole. That is where the accountability needs to be. We need to talk the issues through, and I am sure that the hon. Gentleman will make an important contribution to that debate.

**Phil Wilson** (Sedgefield) (Lab): Does the Secretary of State agree that the £250 million access fund, which will deliver 100 new GP practices, and the establishment of 150 new GP-run health centres, are nothing but good news for areas such as County Durham and for my constituents in Sedgefield? Will he meet me to see how best to implement those changes in Sedgefield, where health centre provision has been an issue?

**Alan Johnson:** Following the recent by-election, I know the constituency of Sedgefield. Those provisions will specifically help areas such as Sedgefield and others such as my constituency in Hull which have been under-doctored and have been for many years.

For GP practices in the 25 per cent. of areas that are most poorly provided for, the statement unleashes 900 staff—doctors, nurses, health professionals, health visitors and community nurses—into the most deprived areas in our country, giving the very best services to areas that previously had the worst. I will happily talk to my hon. Friend about how that is being implemented in his constituency.

**Sir George Young** (North-West Hampshire) (Con): Does the Secretary of State recognise that although the title of his statement is "Health and Social Care", only 12 words in it were about the major providers of social care in this country—local authorities? Does he recognise that they are spending billions over their standard spending assessment on social services, withdrawing preventive work, intervening only in life-threatening cases, pushing up charges and piling pressure on the council tax? Would it not have been better to share the proceeds of growth more evenly between the national health service and social services?

**Alan Johnson:** Lots of the money that we provide through the NHS will provide greater resources. I am not a representative of the Department for Communities and Local Government, but we will have an opportunity to talk about that issue.

The right hon. Gentleman is absolutely right about local authorities, which, incidentally, will have ring fencing removed as part of the settlement to give them greater freedom to spend money on priorities. That could well mean spending much more on social care. The problem that he identifies is how we keep that contribution sustainable, as the hon. Member for Tiverton and Honiton (Angela Browning) said, so that an increasing elderly population receive better care services than they do at the moment. *[Interruption.]* It is a question not just of putting in better resources, but of dealing with the whole organisation and, as the Under-Secretary of State for Health, my hon. Friend the Member for Bury, South (Mr. Lewis) says from a sedentary position, of the better use of existing resources. That can be done and some local authorities are doing it brilliantly. We need to spread that best practice more widely.

## BILLS PRESENTED

### Microgeneration and Local Energy

Dr. Alan Whitehead, supported by John Austin, Lorely Burt, Colin Challen, Mr. David Chaytor, Mr. David Drew, Dr. Ian Gibson, Julia Goldsworthy, Chris Huhne, Alan Simpson, David Taylor and Mr. Mike Weir, presented a Bill to make further provision in relation to microgeneration; to promote local energy provision and energy efficiency; and for connected purposes.: And the same was read the First time; and ordered to be read a Second time on Friday 19 October, and to be printed. [Bill 155].

### Fixed Term Parliaments

David Howarth, supported by Mr. David Heath, Simon Hughes, Chris Huhne, Danny Alexander, Lynne Featherstone, Paul Rowen, Mr. Paul Burstow, Mr. Nick Clegg and Norman Baker, presented a Bill to fix the date of the next general election and all subsequent general elections; to forbid the dissolution of Parliament otherwise than in accordance with this Act; to allow the House of Commons to change the day of the week on which a general election is held; and for connected purposes.: And the same was read the First time; and ordered to be read a Second time on Friday 19 October, and to be printed. [Bill 157].

## Points of Order

1.32 pm

**Bill Wiggin** (Leominster) (Con): On a point of order, Mr. Speaker. While reading my *Hansard* this morning, I realised that the Under-Secretary of State for Defence, the hon. Member for Halton (Derek Twigg), in summing up last night's debate, said that I had got my figures wrong when I told him that only 3 per cent. of lamb served to our troops is actually British. He said that it was 13 per cent. Whoever is right—

**Mr. Speaker:** Order. I cannot allow the hon. Gentleman to continue. This is a matter of debate and rebuttal; it is not a point of order. It took place during a debate, and the hon. Gentleman should find an opportunity to rebut the case that the Under-Secretary made.

**Bill Wiggin:** It was his answer.

**Mr. Speaker:** Even if it was his answer, it is not a matter for me.

**Mr. Graham Stuart** (Beverley and Holderness) (Con): On a point of order, Mr. Speaker. The Secretary of State for Health has now on two occasions accused me of failing to mention the new community hospital that will be built in Beverley, even though that hospital is only at the stage of putting in a bid to the strategic health authority, and therefore has no certainty of funding whatsoever. I wonder whether you could advise me, Mr. Speaker, on how I could get confirmation from the Secretary of State that it will be funded, or on how I can ask him not to mislead the House and the nation by suggesting it is going ahead.

**Mr. Speaker**: The Secretary of State would not mislead the House, nor would any other Member. If the hon. Gentleman comes to the Chair on a quiet occasion, I will tell him how to go about these things.

# Opposition Day

[19TH ALLOTTED DAY]

## Department for Children, Schools and Families

**Mr. Speaker:** We now come to the first debate on the Opposition motions. I inform the House that I have selected the amendment in the name of the Prime Minister.

1.33 pm

**Michael Gove** (Surrey Heath) (Con): I beg to move,

That this House notes with concern the fact that fewer than half the nation's schools are good according to the measure preferred by Ministers, that 40 per cent. of children leave primary school without having reached the standard in reading, writing and arithmetic demanded by the Government and that more than a million young people are not in education, employment or training; and therefore calls for an improvement in the leadership and culture of the Department for Children, Schools and Families to make it a stronger and more effective voice for better education.

May I say what a pleasure it is to see the Secretary of State in his place? Having read the newspapers last week, it is something of a surprise that he is here with us today because in an interview with *The Sunday Telegraph* just a fortnight ago—how long ago that must seem— he boasted proudly:

"I...opened the new campaign office in my constituency and told my local party it is important we're on a general election footing."

Now that the Prime Minister has shot himself in his general election footing, I am glad that we can get back to debating the issues. However, may I congratulate the Secretary of State on something? That campaign office must be the one building officially opened by a member of the Government this year where the Minister was actually present and the building was genuinely new.

May I also congratulate the Secretary of State on something else? I was intrigued by his speech to the Labour party conference, where he made so much of where some of my colleagues went to school. I turned to "Who's Who" to see where he might have been educated, presuming it was a properly inclusive sort of place. But imagine my surprise when I saw that no school—primary or secondary—was listed. I know that when the Secretary of State was growing up in Nottingham—fine town that it is—a very good independent boys school there sent many of its lads to Oxbridge. But in the Secretary of State's entry—penned of course, I presume, by himself—the first establishment mentioned is Keble college, Oxford, where I read he got a first in philosophy, politics and economics. What an amazing achievement: a first at Oxford without having been to any primary or secondary school. All I can say is what everyone in the Labour party is saying: what a phenomenon.

It is a pity, however, that I cannot congratulate the Secretary of State on more, but the news from his Department during the past few months has been grim. For our youngest school children, just starting out in life, the education system is flatlining. The proportion of students achieving level 2 in maths and reading at key stage 1 is exactly the same as in 2002.

**Sarah McCarthy-Fry** (Portsmouth, North) (Lab/Co-op): Will the hon. Gentleman give way?

**Michael Gove:** No. Writing results have declined from 86 per cent. to 80 per cent. since 2002 and are now at their lowest level for a decade. That is a failure to support the youngest. For children at the end of primary school, making the transition from seven years of education under this Government to the testing environment of secondary school, the Government are also failing. Nearly half of children are unable to read write or add up properly at age 11: a failure to prepare a whole generation.

For young people preparing to meet the challenge of a changing world of work, this Government have failed to deliver on the basics. The number of students getting five good passes at GCSE, including English, maths, science and a modern language, is now 25 per cent. of the total, down since 1997: a failure to equip the young for a world of rapid change. *[Interruption.]* I notice that the hon. Member for Dudley, North (Mr. Austin) is monosyllabic; he is capable of uttering only one word. If he would care to make an intervention, I shall be delighted to hear it. *[Interruption.]*

**Mr. Deputy Speaker (Sir Michael Lord):** Order. We are debating serious matters today. We must not have continual interventions from a sedentary position— *[Interruption.]* Order. From either side of the House.

**Michael Gove:** I am grateful to you, Mr. Deputy Speaker.

**Mr. John Spellar** (Warley) (Lab): On a point of order, I was wondering whether the hon. Gentleman will take interventions from a standing position.

**Mr. Deputy Speaker:** Whether or not Members addressing the House take interventions is entirely a matter for them.

**Michael Gove:** Thank you, Mr. Deputy Speaker. I look forward to taking interventions in just one moment, including from the right hon. Member for Warley (Mr. Spellar).

**Sarah McCarthy-Fry:** Will the hon. Gentleman give way?

**Michael Gove:** I will come back to the hon. Lady in just one second because it is important that she realises the scale of this Government's failure.

We now have the tragedy of more than a million young people not in employment, education or training: wasted talent let down by a system this Government failed to reform. Ministers, and ambitious Back Benchers, cannot deny the scale of this failure, for one of their own has acknowledged it. According to Lord Adonis, a Minister in the Secretary of State's Department, a quarter of secondary schools in this country are "wasting pupils' talents". Some 800,000 pupils are in schools that, according to Ministers, are simply unacceptable. As Mrs. Alastair Campbell wrote in *The Guardian* this week:

"With friends like Lord Adonis, Ed Balls and Gordon Brown don't need enemies".

How fortunate for the Secretary of State that, after last week, no one else in the Labour party is at all unhappy with him.

**Sarah McCarthy-Fry:** I thank the hon. Gentleman for eventually giving way. Last year, my local education authority was the second most improved at key stage 2 in English and maths. The children and the teachers are proud of themselves. Would the hon. Gentleman have me tell them that they are failures?

**Michael Gove:** I certainly would not. I am happy to congratulate teachers and pupils. Ministers are the people who have been failing—they are incapable of securing results. How can anyone be complacent about education in this country when 43 per cent. of young children leave primary school incapable of reading, writing or adding up properly? Labour Members might consider that good enough, but millions of parents and I are not satisfied.

**Anne Snelgrove** (South Swindon) (Lab): Will the hon. Gentleman give way?

**Michael Gove:** Perhaps we will hear more complacency from the hon. Lady.

**Anne Snelgrove:** Is not the hon. Gentleman aware that 100,000 more 11-year-olds attain level 4 in maths now than in 1997?

**Michael Gove:** As I said, 40 per cent. of children leave school incapable of reading, writing or adding up properly. Since the hon. Lady mentioned mathematics, is it not a scandal that fewer than half the people who teach it in secondary schools have a degree in the subject? After 10 years of massive investment, there is still a failure to provide the teaching that we need. There is complacency among Labour Members and a desire for change among Conservative Members.

**The Minister for Schools and Learners (Jim Knight):** The hon. Gentleman is strong on statistics for where we are now. Would he like to rattle off those for where we were in 1997 after 18 years under the Tories?

**Michael Gove:** As I have already pointed out, fewer people are getting five good passes in good GCSEs, including maths, science, a modern language and English, now than in 1997. As the Minister knows, the Office for National Statistics has pointed out that productivity in education has fallen under the Government. Again, there is complacency among Labour Members and an agenda for change in the Conservative party.

I mentioned Lord Adonis, the Minister's colleague, whom he failed to defend at the Dispatch Box. I am sure that full notice of that will be taken at the other end of the Building. Although Lord Adonis may be more candid than prudent, the Secretary of State should be grateful to him because his honesty emphasises the need for genuine reform to improve our education system. It also creates an opportunity for the Secretary of State to live up to his noble Friend's high hopes and prove himself to be a genuine reformer.

When the Secretary of State first appeared at the Dispatch Box a few months ago, we offered to work with him and with the Liberal Democrats to advance reform. Since then, I have been encouraged and heartened by the Liberal Democrat leadership's bravery in embracing greater choice and control for parents and moving away from a defence of producer interests. The hon. Member for Yeovil (Mr. Laws) deserves credit. I am sure that he will give me none in his speech, but I quite understand. Given his party's poll ratings and his position as leader of his party's sensible tendency, he has to put up a pretence of anti-Tory feeling. We shall not hold it against him.

However, while there has been a movement towards consensus around genuine reform from the Liberal Democrats, there has been the opposite from the Secretary of State. Far from moving forward, he has gone back; far from modernising, he is retreating. Way back in 2005, when the right hon. Member for Bolton, West (Ruth Kelly) was Secretary of State for Education and Skills, the then Prime Minister wrote a preface to the Government's education White Paper. For those on the Labour Benches who cannot remember him, he was a chap by the name of Blair. Sadly for them, he is no longer in the House and is therefore incapable of filling the great clunking vacuum at the top.

**Ms Angela C. Smith** (Sheffield, Hillsborough) (Lab): I welcome the hon. Gentleman's commitment to reform. Does he favour the support from part of the Conservative party for the reintroduction of grammar schools?

**Michael Gove:** I have no idea from where on earth the hon. Lady gets that idea. We support good schools, wherever they exist in the state system, and oppose the Secretary of State's attempt to undermine them. Wherever there are good schools, we will back them rather than undermine them for party political reasons. We are not selective about championing excellence.

In his preface to the education White Paper, the former right hon. Member for Sedgefield argued that,

"reforms must build on the freedoms that schools have increasingly received, but extend them radically. We must put parents in the driving seat for change and to underpin this change, the local authority must move from being a provider of education to being its local commissioner and the champion of parent choice."

He wanted

"genuinely independent schools in the state sector".

I could not put it better myself. The case for reform is clear, urgent, modern and rejected by the Secretary of State.

In his first statement to the House, the Secretary of State slammed the brakes on reform. Academies were told that they could not open if Labour local councillors wanted to deny parents that choice. Far from being built on, freedoms were further restricted. New academies were told that innovation would be stifled and that they would have to follow a much more restricted curriculum. Since then, he has moved backwards further and faster. In his speech to the Labour party conference, he played to the left-wing gallery, making it clear that the educational establishment would stifle innovation, encouraging Labour LEAs to take an even bigger role in interfering

*[Michael Gove]*

in schools and slamming the door on genuine independence for new state schools and genuine choice and control for parents.

The Secretary of State cannot provide the change that the country needs because he has made himself a prisoner of the forces of educational conservatism. He has even fallen back on the lamest mantra of them all—a line so hackneyed that even the Prime Minister felt he had to abandon it as too threadbare a cliché. The Secretary of State said that he believes in "standards not structures", but, as Tony Blair was forced to concede,

"I shifted from saying 'it's standards not structures' to realising that school structures... affect standards."

That is the truth that the Secretary of State denies, and why he is doomed to fail.

What makes the failure worse is that, at the same time as the Secretary of State thwarts any chance of structural reform, he fails to drive though a genuine improvement in standards. Indeed, he does the opposite. Far from using every lever at his disposal to insist on rigour and excellence, he has been afraid to take on the establishment that presides over mush and muddle in our curriculum.

On the Secretary of State's watch, we have been told that children should have five-minute lessons because they cannot pay attention for longer. His bureaucrats said that children should mark each other's work because that is more liberating and his people took Churchill out of the curriculum because he was no longer considered relevant to today's children. Our most courageous Prime Minister no longer relevant? I suppose I can understand why this Government would want him written out of history. What happened only when we objected to the change—not before? The Secretary of State rang round the newspapers, shifted the blame on to his officials, said that he was not consulted and promised to change course not, I think, your finest hour, Secretary of State.

A Secretary of State who was determined to drive up standards would put rigour back in the curriculum and give children the chance to take pride in our national story. However, under this Secretary of State, there has been a refusal to show any courage in taking on the entrenched interests who stand in the way of excellence. I fear that he has been interested in only low partisan politics and shallow tactical positioning.

We have had no leadership on reform or standards and no honesty about funding. Only yesterday, the Chancellor of the Exchequer failed to level with us in his pre-Budget report—a document that would earn a fail in any examination for being copied from someone else's work. We were promised an extra £250,000 on personalised learning for every pupil, but that amounts to only £34 for every school student—just enough to buy a copy of "Courage" by Gordon Brown and pay for 20 minutes of teaching time. With that book and only 20 minutes, one could probably help any class learn the meaning of "hubris".

**Tom Levitt** (High Peak) (Lab) *rose—*

**Michael Gove:** Speaking of hubris—

**Tom Levitt:** The hon. Gentleman mentioned the pre-Budget report and the comprehensive spending review. Is he defending Tory party policy of putting £2 billion into the hands of 9,000 of the country's richest families rather than investing it in health and education, as the Government will?

**Michael Gove:** Is the hon. Gentleman in the right debate? We are discussing education, not reading out tired, photocopied lines from the Labour Whips Office, which will not save him in High Peak. He should start campaigning for better education instead of trying to curry favour with the leadership—it will not help him. We have already been promised capital funding for schools, in the Building Schools for the Future programme, but so far only 14 of the promised 100 new buildings have materialised. The rest are just not there. They exist only in Ministers' imaginations and in Labour party press releases—a bit like photographs of the Secretary of State for Culture, Media and Sport.

**Mr. Barry Sheerman** (Huddersfield) (Lab/Co-op) *rose—*

**Michael Gove:** And talking of ghostly images.

**Mr. Sheerman:** The Select Committee on Education and Skills recently issued a report on the sustainable school, which deals with Building Schools for the Future. We applauded the Government's slowing down of Building Schools for the Future, because the process needs full consultation with the school if we are going to get the schools right. We said clearly that we much preferred the delay, so that local communities, the students and teachers could participate in the process of designing their own schools. We get good schools that way. The hon. Gentleman should please not make any easy assumptions without reading the report.

**Michael Gove:** I am glad to see that the ghost of education policy past has now become the spirit of fearless truth, in pointing out that the Government have failed to deliver on time and that it is time they thought again. I pay tribute to the hon. Gentleman's candour in at last finding the courage, valuable virtue as it is, to criticise the Government.

To add insult to injury on funding, the Government are now clawing back money with a retrospective levy that plunders the balances of good schools to fund their own agenda. Sharp practice and hypocrisy, excellence penalised and central control stifling good practice—a perfect snapshot of Labour's attitude to education. So no progress on structural reform, no bravery on standards, no honesty on funding—what does that leave as the Balls agenda? Naked, narrow partisanship.

In an interview that the Secretary of State gave to the *New Statesman* in 2006, when he was still just a humble Back Bencher—well, a Back Bencher anyway—he explained why he disliked more independence for schools, distrusted the reform agenda and disagreed with the stewardship of the Department for Education and Skills under the right hon. Member for Bolton, West. What was needed, he said, was to

"get back to a clear dividing line on education policy"—

not constructive reform, not a consensus for change, not children first, but division as our future.

Since that time, the Secretary of State has been as good as his word. Conservatives and Liberal Democrats now agree on the need for greater parental choice and control. Even the right hon. Member for Darlington (Mr. Milburn), the man who was campaign co-ordinator the last time Labour actually won an election, now agrees with us. Modernisers in every party now champion the case for greater parental control. There is a growing consensus for change, but the Secretary of State wants to divide and just says no.

There is another consensus as well. All three parties were agreed that a pointless assault on existing good schools was a distraction from the key issue of our time, improving education for the most disadvantaged and for those in failing schools. But what has happened under this Secretary of State? On Saturday—I wonder why it was then—the press were briefed by his Department:

"Labour wants to reignite the political row over selective education by making it easier to force the closure of...local grammar schools."

How cynical can one get? When their judgement was found wanting, their egotism backfiring and their hubristic plans imploding, what do these Ministers do? They try to reignite a political row, try to sow division and try to shut down good schools. Instead of learning from what makes schools successful and arguing for the adoption of appropriate policies across the state sector, as we have, with our comprehensively excellent campaign, they prefer to play silly political games and abdicate their responsibility to govern in the whole national interest. They prefer the easy course of pursuing class war to the hard work of securing improvements in every classroom.

But then, that is all of a piece with the cynicism that the Secretary of State has brought to his office. Invited on the radio to discuss our children's future, all he was really interested in was his clique's future. He talked of election timing and mused on where the "gamble" would be, treating the serious business of government as though it were a casino game in which they could treat people as mere counters to be shoved around at their convenience. But when the chips were down, the Government folded. They were tried and found wanting, tested and found hollow, totally incapable of being trusted any more. It is time for real change that puts pupils and parents first. It is time for the Conservative agenda.

1.54 pm

**The Secretary of State for Children, Schools and Families (Ed Balls):** I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

'commends the real and substantial improvements achieved over the past decade in educational standards and welcomes the Government's commitment to a world class education for all; applauds the unprecedented investment in education over this period, so that per pupil revenue spending has increased nationally by £1,840 per pupil (66 per cent.) in real terms between 1997-98 and 2007-08 and that by 2010-11 there will have been a seven fold increase in real terms in capital investment since 1996-97; acknowledges the proportion of pupils achieving the required standard in English at age 11 increased from 63 per cent. in 1997 to 80 per cent. in 2007 and in maths from 62 per cent. to 77 per cent.; further acknowledges that the proportion of pupils achieving five good GCSEs (at A*-C grades) increased from 45.1 per cent. in 1997 to 58.5 per cent. in 2006 and from just 35.6 per cent. to 45.3 per cent. for those achieving five good GCSEs including English and maths; notes that in 1997 there were 616 schools where less than 25 per cent. of pupils achieved five good GCSEs and that this number fell to 47 in 2006; welcomes the proposal to raise the participation age for education or training to 18 years; further welcomes the launch of the first five Diplomas as a key step towards this objective; and further commends the 10 Year Youth Plan and the creation of the Department for Children, Schools and Families, bringing together strategic leadership for all services to drive up standards, tackle poverty and ensure all children and young people have a safe, secure and happy childhood.'.

May I say that it is a great pleasure to debate the track record of the Department for Children, Schools and Families, just three months after it was established in July? Notwithstanding today's Opposition motion, which I shall come to later, or the rather Punch and Judy, pugnacious speech that the hon. Member for Surrey Heath (Michael Gove) gave, I welcome the courteous and serious way in which he and the hon. Member for Yeovil (Mr. Laws) have taken up their new shadow responsibilities since July and the support that they have given the new Department. I am grateful to them for the proper and helpful discussions that we have had over the complex issues around safeguarding and the work of Sir Roger Singleton in recent months. I am grateful to the hon. Member for Surrey Heath for the honest and mature way in which he praised the achievements of our A-level students this summer, in marked contrast with previous shadow Ministers.

I also welcome the hon. Gentleman's support for our new independent standards regulator, which I announced two weeks ago. I also welcome his blessing for the review of speech and language therapy being led, with his full support, by our mutual friend, the hon. Member for Buckingham (John Bercow). So despite today's motion, I am pleased to stand across the Dispatch Box from the hon. Member for Surrey Heath. In spite of our differences, it is my hope that we can make more progress in the coming months to forge a deeper and wider consensus on what needs to be done to give every child the best start in life and to give every young person the chance to fulfil their potential.

Just three months after the Department was first established, I hope that the hon. Member for Surrey Heath and hon. Members on all sides of the House can agree that we have made some real progress. Since July we have welcomed the best key stage 2, GCSE and A-level results ever; we have expanded personalised learning and launched Every Child a Writer to help children in primary schools who are falling behind; we have reformed the Qualifications and Curriculum Authority to establish a new independent standards regulator; we have raised the bar on standards for discipline and introduced new powers for head teachers to tackle truancy and bullying; we have signed up 12 additional universities to get involved in sponsoring academies; we have opened our first 30 trust schools; we have launched our first five new diplomas; we have set out a 10-year plan to transform youth services; we have introduced new standards for school meals and more hours of school sports; and we have started a national children's plan consultation. The Department

*[Ed Balls]*

is showing that it is a strong and effective voice not just for better education, but for every child and parent in this country.

**Andrew Selous** (South-West Bedfordshire) (Con): The Secretary of State has not yet mentioned the families side of his Department. I appreciate that the Department is new and that he is probably going to come on to this, but will he say whether part of his brief will be to support and strengthen family relationships, and in particular to consider the needs of separated families, on which the Department for Work and Pensions is looking to his Department to help with the new information and advice service?

**Ed Balls:** That was the first serious contribution to this debate from Opposition Members. I am happy to say that we will support all families in this country, whether they are married, single-parent, separated or divorced families. We will never tolerate an approach to supporting family policy that stigmatises or counts as second best those families that are separated, widowed or divorced. That is why we reject the approach to family policy that was set out by Opposition Members earlier this summer.

**Rob Marris** (Wolverhampton, South-West) (Lab): When the hon. Member for Surrey Heath was speaking very prettily, taking time off from moonlighting as a journalist, did my right hon. Friend notice that, unlike the hon. Member for South-West Bedfordshire (Andrew Selous), with whom I had the pleasure of serving on the Select Committee on Work and Pensions, which dealt with such issues, he never mentioned families at all in either his motion or his speech?

**Ed Balls:** My hon. Friend is quite right.

As I have just said, this new Department is a strong and effective voice for education for every child and every parent in this country. And, as the Chancellor confirmed yesterday, the new Department has also secured a further £450 million for the spending review period on top of our budget settlement, which will mean that education spending will rise to record levels and that we will have £21.9 billion of schools investment over the next three years, which will deliver 400 more secondary schools and 675 new primary schools. It will also mean that every school will become an extended school, full details of which are being published this afternoon by my hon. Friend the Minister for Schools and Learners. It will mean more schools capital investment in the next three years than in the entire 18 years of Conservative Government between 1979 and 1997.

**Mr. David Evennett** (Bexleyheath and Crayford) (Con): I am listening carefully to the Secretary of State, as I did when he had his former job in the Treasury. He has given us a catalogue of what he considers to be the great successes. If there has been so much success, why are so many of our children failing to read and write and failing in maths at the age of 11? If everything is so wonderful, what has gone wrong to allow this to happen?

**Ed Balls:** I am coming on to that point right now. But before I do, I hope the hon. Gentleman will join me in praising the 700 per cent. increase in capital investment that his local authority will be getting in today's announcement, compared with 1997. I hope he will put out a press release to congratulate us on that.

**Peter Luff** (Mid-Worcestershire) (Con): Will the Secretary of State give way?

**Ed Balls:** In a sec.

As the hon. Member for Surrey Heath said, we should start by agreeing that, despite the substantial progress that we have made, there is still some way to go before our education system can be described as world class. The hon. Gentleman is right to point out that fact today. He is right to point out that 23 per cent. of young people are leaving primary school at 11 without having reached level 4 in maths, that the figure is 33 per cent. for writing, that 40 per cent. are not reaching level 4 in reading, writing and maths at key stage 2, and that too many 16 to 18-year-olds are leaving school and college without proper qualifications. I agree that that is not good enough.

Putting the debating points to one side, let us go back and look at the history. In 1997, it was not 20 per cent. failing to make the grade in maths; it was 38 per cent. In 1997, it was not 20 per cent. not making the grade in reading, but 33 per cent., and it was not 40 per cent. not making the grade in the three Rs, but 57 per cent. So let us agree that, although we have further to go to be world class, we are going in the right direction and we have made substantial progress from what was a desperate, taxing inheritance.

I hope the hon. Gentleman will also agree that the reason we have made substantial progress since 1997 is our investment and our reforms. We have 38,000 new teachers and more than 100,000 more teaching assistants, and more than 1,100 new schools have been built rebuilt or refurbished. There has been a 25 per cent. fall in permanent exclusions. Another fact not reflected in the hon. Gentleman's motion is that the number of failing schools—those that do not have 25 per cent. of students gaining five good GCSEs—is down from 616 in 1997 to just 47 today. I want to go further: I want to get rid of all of them, but the fact is that there were 616 when his party left office, and the figure is now down to 47.

**Angela Watkinson** (Upminster) (Con): The Secretary of State just touched on the subject of exams, and I wonder whether he shares the concerns of head teachers in my constituency about the quality and consistency of online exam marking. A growing number of actual grades are varying significantly from the predicted grades; this is happening to a worrying degree. Some of the exam boards are now moving to oral online marking. If this situation is not reviewed and monitored, the problem is likely to increase.

**Ed Balls:** If the hon. Lady goes to the House of Commons Library, she will find that the capital allocation for her local authority area is up 5,000 per cent. since 1997. On the particular point that she has raised, the reform that I have announced in recent weeks to establish an independent standards regulator

will give parents and teachers the confidence that the exam boards are doing a good job and that standards are not declining. I will make sure that the standards regulator looks at the precise issue she has raised.

**Mr. David Chaytor** (Bury, North) (Lab): Was it not significant that the hon. Member for Surrey Heath (Michael Gove) failed miserably to cite the figures for the 1997 key stage 2 results? I am delighted that my right hon. Friend has put the record straight. Furthermore, if we are going to have a serious debate on this matter, should we not recognise that simply because a boy or girl does not reach level 4 at key stage 2, it does not mean that they are illiterate? We need a far more considered approach to describing the abilities of children who do not reach level 4.

**Ed Balls:** My hon. Friend is absolutely right, and I think that, outside the Chamber, the hon. Member for Surrey Heath would agree. I have found it is possible to have a serious conversation with him outside, although perhaps not in this debate. Of course it is not the case that a child of that age who does not reach level 4 cannot read, write or do arithmetic, but they are not doing as well as they should be to prepare for going on to secondary school. That is what we want to turn around. It was striking, however, that, despite the intervention of my hon. Friend the Minister for Schools and Learners, the hon. Gentleman failed to acknowledge the progress that has been made since 1997. It is impossible to have a serious, rational debate unless he can acknowledge that we have made substantial progress, although there is much more to be done.

**Several hon. Members** *rose—*

**Ed Balls:** I will not give way. I want to make some more progress, then I will take an intervention.

Let us acknowledge that there has been a transformation of investment and reform, and that that reform has been accelerated by me in recent months and not been set back. I welcome the support of the hon. Member for Surrey Heath for our programme of catch-up tuition for those falling behind in writing and maths, but I say to him that if he wants a serious debate on educational reform, he needs to monitor a little more closely the standard of the Leader of the Opposition's articles on education policy before they are submitted. The proposal by the hon. Member for Witney (Mr. Cameron)—[HON. MEMBERS: "Right hon."] The proposal by the right hon. Member for Witney a few weeks ago that children not making the grade at 11 should be held back for an extra year in what would soon become overcrowded primary school classrooms was roundly condemned by head teachers and parents alike because it just would not work. Rarely have I seen a policy announcement fall apart so quickly under scrutiny. It is the Leader of the Opposition who needs a little extra help with his writing.

**Philip Davies** (Shipley) (Con): Over the summer recess, I spent a week in one of my comprehensive schools shadowing the teachers. It is a very good school, with very high standards and excellent teaching—[HON. MEMBERS: "A comprehensive school?"] Yes, it is a comprehensive school. And yet, there were at least half a dozen year 7 pupils—they had just started secondary school—in one of the maths lessons who did not know the difference between an odd number and an even number. My right hon. Friend the Member for Witney (Mr. Cameron) has made some practical suggestions for how we might avoid children going on to secondary school in that state. The Secretary of State is new in his post and he must be fizzing with ideas. How will he deal with this problem? How are we going to stop children going to secondary school not knowing the difference between an odd number and an even number?

**Ed Balls:** I apologise to the hon. Gentleman: for him, we have managed only a 308 per cent. increase in capital allocation over the next few years, compared with 1997. I say to him that if we are serious about educational reform, we must intervene early through Every Child a Reader, Every Child Counts and our new Every Child a Writer programme. We must do this when children are five, six and seven years old to stop them falling behind. The proposal that we should say to parents or teachers after the key stage 2 results that we are going to keep their children back in primary school for another year was laughed at by parents, teachers and head teachers alike. It was a piece of spin with no substance behind it, and it was not the only proposal that failed that test.

While the hon. Member for Surrey Heath is looking at that proposal, he should also look at the proposal by the right hon. Member for Witney to abolish appeals for exclusions. He needs to remind the right hon. Gentleman that independent appeals were introduced by the previous Conservative Government, and that last year only 130 of 9,170 exclusions were overturned, which is less than 1.5 per cent. He should also remind the right hon. Gentleman that if independent appeals were abolished, hundreds and possibly thousands of head teachers would be forced by a Conservative Government to defend their decisions in the courts. That would be no way to back head teachers.

**Mr. Graham Stuart** (Beverley and Holderness) (Con): Is it true that a pupil in Manchester who was found to be carrying a knife last year was ordered to be returned to the school when the matter went to appeal?

**Ed Balls:** I think that the claim of the right hon. Member for Witney that that was the case has been rejected as incorrect by the school and its governors, so the hon. Gentleman should look at his facts before making those sort of allegations in this House.

**Mr. David Laws** (Yeovil) (LD): The Secretary of State said a moment ago, in spite of claims by the hon. Member for Surrey Heath (Michael Gove), that he is accelerating the pace of reform in his Department, so may I test him on that point? Is the Department's policy still the same as it was in the Blairite manifesto of 2005—to make all secondary schools "independent specialist schools"? Does that remain the policy?

**Ed Balls:** As the hon. Gentleman knows, our policy is to ensure that every secondary school is a specialist school, an academy or a trust. That is my policy and I back more independence for governing bodies. Of course that is the case, and I want to accelerate the

*[Ed Balls]*

academies programme. What I have done is abolish the £2 million entry fee and encourage universities and high-performing public sector organisations to come in and support academies. I am also very pleased to say that local government leaders—Labour, Tory and Liberal—have been coming forward to propose academies. As for the idea that I should reject such proposals because, by definition, they come from local government, I have never heard such an anti-local government statement before. It is absolutely ridiculous.

**Mr. Laws:** I am grateful to the Secretary of State, who I think is clarifying the position, but I am not quite sure why he finds it so difficult to repeat the words that appeared in his manifesto of 2005:

"We want all secondary schools to be independent specialist schools."

Is that still the Department's policy?

**Ed Balls:** Of course I stand entirely by the manifesto on which we fought the election. *[Interruption.]* It would be worth checking whether the Leader of the Opposition is also supporting his current policy on grammar schools. After all, the hon. Member for Havant (Mr. Willetts) thought he had the Conservative leader right behind him, only to be stabbed in the back in the reshuffle. Anyone who thinks that I am scaremongering might like to check last week's speech to the Tory conference fringe by the Leader of the Opposition's university chum and putative Mayor of London, the hon. Member for Henley (Mr. Johnson), in which he called for a return to—and I can quote him exactly—"good, old-fashioned academic selection". Good old Boris!

I have to say to the hon. Member for Surrey Heath that if he is genuine in his support for our mission to drive up standards for all children and to give every child the best possible start in life and if he really wants to reduce the number of young people not in education or in training after 16, he must agree to back our plans to increase spending per pupil in state schools to today's private school level and to raise the education leaving age to 18.

**Several hon. Members** *rose—*

**Ed Balls:** I have already given way several times.

We know that this is where the right hon. Member for Witney and the Conservatives get into difficulties because they cannot match those commitments and cannot guarantee the funding to pay for them. The Conservative party's commitment to substantial tax cuts for the few and what the Leader of the Opposition called "dramatically lower public spending" mean that the Opposition cannot match our spending or our commitment to world-class education.

**Peter Luff:** In an attempt to build a spirit of consensus, I welcome the fact that the Government have used the most benign economic conditions of any post-war Government to increase expenditure on education—just as any other Government would have done. Why is it, however, that some local education authorities such as Worcestershire have not shared in that increase and have fallen further and further below the national average per pupil spend?

**Ed Balls:** I have to tell the hon. Gentleman that over the past 10 years, education spending has risen by 5 per cent. a year in real terms. Between 1979 and 1997, it rose by only 1.4 per cent. a year, so it is clear that when the Conservative Government were in power, they failed to achieve their objectives—*[Interruption]*—despite all the lobbying.

**Miss Julie Kirkbride** (Bromsgrove) (Con) *rose—*

**Peter Luff** *rose—*

**Ed Balls:** No, I will not give way. I had reached the point in my speech where I was about to explain why there is no consensus on education policy in this country. The reason is that there is no consensus on tax and spending policy. Yesterday in this Chamber, we saw a shadow Chancellor who was exposed in the full view of national scrutiny for making tax-cut promises that he cannot afford, for being left with a £2 billion black hole and for getting his sums wrong. Before Opposition Members lecture me on our national numeracy strategy, I suggest that they draw up a strategy to improve the numeracy of their own Front Benchers. Before running down the achievements of our Every Child Counts programme, they need to ensure that they have a shadow Chancellor who can count. As we all know, the shadow Chancellor's sums simply do not add up and he has not reached the required standard to make progress. It is the shadow Chancellor who needs extra help and one-to-one tuition and it is the black hole in his plans that fatally undermines Tory education policy.

**Several hon. Members** *rose—*

**Ed Balls:** No, I am not giving way.

While the Conservative party remains committed to tax cuts for the wealthiest few, which it cannot afford, every parent in this country will know that our schools would not be safe in its hands, that progress on standards would be put at risk and that economic stability would be undermined. Only last week, at the Conservative conference, the hon. Member for Surrey Heath slammed what he called a trendy 1960s culture of liberal teaching, but his problem is that his party remains stuck in a 1980s culture of fiscal irresponsibility and tax cuts for the few, which would mean spending cuts that would hit standards in our schools and set back our children's future. It is the hon. Gentleman's party that needs a culture change and his party that needs to examine its leadership. Until it does so, there will be no consensus on education policy in this House.

2.17 pm

**Mr. David Laws** (Yeovil) (LD): I am pleased to take part in this important debate—the first full-scale debate on the new Department and its responsibilities. I hope that the Minister for Schools and Learners will sum up and that he will be able to explain the apparent contradiction between the Secretary of State's position

today in respect of the Labour party manifesto and the Department's own recent position.

The manifesto, as the Secretary of State was kind enough to confirm and support, was very clear about the Government's commitment to making all secondary schools "independent specialist schools". Despite that, the most recent departmental answer from the Minister for Schools and Learners stated:

"It is not this Government's policy to make all secondary schools independent specialist schools."—[*Official Report*, 23 July 2007; Vol. 463, c. 889W.]

There appears to be a 180° contradiction between the Blairite manifesto on which Labour Front Benchers stood and the position that the Department has now taken. Perhaps in the hours between now and the end of the debate, the Minister will be able to explain that contradiction.

We are happy to support the motion for the reasons suggested by both the hon. Member for Surrey Heath (Michael Gove) and, in fairness, the Secretary of State. There are clearly enormous deficiencies in our education system today—notwithstanding any improvements over recent years—which are quite unlike those in many other advanced countries that do not have our enormous under-achievement. We do not support the motion without qualification, however, as we would have liked the hon. Member for Surrey Heath to put in a little more on policy issues at the end of it. I appreciate that with the magpie nature of the present Administration, he may have feared that by the time he sat down, the Secretary of State might not only have stolen his homework but copied it out and handed it in. Perhaps that explains the absence of any proposals that could have been nabbed by the end of the Session.

I also hope that the last sub-sentence of the motion does not indicate the tendency on the part of the Government and the Prime Minister to think that educational achievement and delivery in the public sector is dependent on Government Departments rather than on individual schools and other units that deliver the improvements. We will not deal with the major issues facing children in this country simply on the basis of letters sent out over the summer by the Secretary of State or improvements in leadership in the Department.

Inevitably, the debate has so far focused mainly on the schools element of the children, schools and families agenda. In winding up the debate, will the Minister for Schools and Learners therefore touch on some of the other important elements for which his Department has responsibility, as I presume that the rationale for bringing together the Department was to cover all children's issues?

Despite the Secretary of State's speech betraying to a large extent his origins in the Treasury, given its focus on public expenditure and other matters, we have not heard much so far about the issue of child poverty and its centrality to the Government's objectives. The pre-Budget and spending statement yesterday included some large items of expenditure and revenue-raising, on inheritance tax and non-domicile tax, and the Chancellor gave the impression that something significant was happening on child poverty. But, as ever, the documents show an enormous gap between what the Government say they are doing on the child poverty agenda this year, next year and the year after, and what they are actually doing. The additional expenditure in the pre-Budget and spending statement amounts only to about £30 million in the coming year and £60 million beyond that. Will the Minister therefore indicate to what extent the Government retain a genuine commitment to meet the 2010 child poverty target, which the current policy steps do not come close to matching?

Will the Minister also confirm which Department is taking a lead on the issue? Many of those who are concerned about the children's agenda, particularly the child poverty lobby, are worried about the apparent lack of a lead Department on child poverty. In the documents released with the spending review and the pre-Budget report yesterday, I read that the Treasury is now taking a lead role on the matter. How will the Department for Work and Pensions and the Department for Children, Schools and Families integrate with the Treasury?

**Ms Angela C. Smith:** In Sheffield, the capital investment budget for the next three years is more than £80 million, which is a long way from the single figure investment in 1996 for the whole city. Does the hon. Gentleman not acknowledge that investment in our schools and creating decent places for children to learn in are an important part of raising attainment and tackling poverty?

**Mr. Laws:** I am grateful for the hon. Lady's point, which takes me on to the next section of my speech: funding issues. Before I address that question, I remind the Minister that we seek clarification of which Department is taking the lead on child poverty, and how his Department will work with that lead Department.

I accept the hon. Lady's point that capital expenditure in schools has been transformed since 1997, and there is not a head teacher in the country who would say anything else. Again, however, there is a gap between the Government's spin on the issue and the reality. We heard from the Chancellor in his statement yesterday that the additional capital expenditure would mean a new primary school in every local area. My heart leapt at the possibility that south Somerset or perhaps even Yeovil might benefit. Only when we look at the detail of the statement do we discover that "local area", for me, means Somerset. Therefore, out of the 250 schools, Somerset will get one additional one.

**Jim Knight** *rose—*

**Mr. Laws:** Is the Minister going to announce that he has Yeovil in mind?

**Jim Knight:** I could talk about the 490 per cent. increase that Somerset will have received by the end of the spending period, compared with 1997, or the £88.6 million that that represents over the period. Is the new building that I am about to open in Yeovil in a few weeks reality or spin?

**Mr. Laws:** My point was about the statement made yesterday, and I think that the Minister is agreeing with me by trying to shift the ground of the debate. One new primary school in each county is not quite the same as

*[Mr. Laws]*

one in every local area. He is always welcome in my constituency, both to open new schools—I did not appreciate that he was coming, and I hope that he was going to give me good notice; he has now—and at other major establishments. The Secretary of State would also be more than welcome.

The Secretary of State, who has been intimately involved in the Treasury and public expenditure matters for a long period, will want to appreciate that although funding has seen an enormous step change since 1997—or, more accurately, 1999, but I will not revisit earlier arguments—which has led to a big improvement in school funding, as all head teachers recognise, the schools budget is now entering a much tougher period. The figures for the rate of increase in the schools budget were tweaked a little yesterday, and those of us who are suspicious about such matters will notice that they were increased to the extent of the last decimal point to allow the Government just about to deliver on their pledge to increase the share of education spending in GDP—we were dangerously close to a period in which that would contract. Education expenditure will, none the less, grow far less rapidly—perhaps half as rapidly as it has since 1999—which will lead to a much tougher position for schools, especially in catering for the pay increases that will necessarily take place.

We have also had the rather ludicrous and meaningless pledge from the former Chancellor, now the Prime Minister, on schools funding—to increase the level of per pupil funding in the state sector to that in private schools. That sounded fantastic until many of us discovered in the small print that it meant that the Government would manage in 2021 or 2022 to get state school per pupil expenditure to the level of that in the private sector in 2006, or 2005. At virtually all times in the history of our country, it must have been the case that those who were reliant only on the state sector were funded at the same level as those in the private sector 20 years earlier. *[Interruption.]* The Secretary of State mutters from a sedentary position. If he wants to correct me, I shall give way, but my understanding is that the Government are saying that it will take until 2021 for pupils in the maintained sector to have the same level of real funding as the private sector had in 2005-06. That is the rather meaningless pledge that they made.

I make that point not only to demonstrate the weakness of the commitment but to urge a policy on the Secretary of State and the Minister. The Secretary of State has talked a lot about consensus today, and it might be possible to have some consensus about how school funding should be focused in the years ahead when the system has less money. There is quite a lot of magpie-ism in politics today, because three or four years ago my party proposed a pupil premium that would target the most deprived pupils and give them additional money that would follow them through the school system. Over the summer, the Conservative public services working group report proposed something initially called an advantage premium, which sounded quite like the pupil premium but was nothing like as generous in the details. Not only has the hon. Member for Surrey Heath had the good sense to try to pinch our policy, but he has shifted the name of his policy from advantage premium to pupil premium. I assume that he is aligning himself completely with Liberal Democrat policy on the matter.

**Michael Gove:** I hate to make the discussion an incestuous love-in between the two Opposition parties and exclude the Secretary of State, but I fear that he is excluded, because the policy in which we believe is indeed close to the hon. Gentleman's, to that outlined by Professor Julian Le Grand, who advised the former Prime Minister—we used to have a reforming Prime Minister on education—and to that outlined by the right hon. Member for Darlington (Mr. Milburn) after he resigned from the Cabinet. There is a great deal of consensus; it is a pity that the Government are not part of it.

**Mr. Laws:** I am grateful to the hon. Gentleman for that comment, but before the love-in goes too far, I want to observe that I am not sure that his policy is quite the same as ours if it is the same as it was in the working group, which published its work over the summer months. My understanding of the Conservative party's proposal is that extra funding for needy pupils would be supplied on the basis of pupils in "failing" schools. That would be a much smaller number than we have in mind and also appears to be funded by redirecting other moneys in the budget.

**Mr. Graham Stuart:** Does the hon. Gentleman agree that as well as having a pupil premium, the additional money that goes into an area because of increased deprivation should come with a pupil if he or she crosses a boundary—for example, when a pupil in Hull, near my constituency, comes to an East Riding school? Although the Secretary of State is not listening, I hope he will look again at the need to ensure that money that has been properly attributed to a pupil travels with that pupil if he or she moves out of the local authority area in which he or she resides.

**Mr. Laws:** I am sure that is right. I hope that the Government will develop their own policy on that. A deprivation review by the Government is considering how schools and pupils are funded. If the Government do not have any new money, it will be difficult for them to do anything radical, which is why we identified a new source of funding for the pupil premium by taking people out of the tax credit system.

Although there is a deprivation-related aspect in the existing formula, the way in which it is passed on to schools is opaque and inconsistent. Some schools with a large number of pupils with high levels of needs and deprivation are getting a lot of additional money to help them with the extra challenges involved, but many schools, especially in rural areas and in communities that do not have the deprivation that some of our other communities sadly have, do not have anything like the funding that they need to deal with the serious challenges that they face from pupils with high levels of deprivation, which is closely linked to poor educational performance.

**Andrew Gwynne** (Denton and Reddish) (Lab): The hon. Gentleman raises an important point about funding. Why does he think that Stockport

metropolitan borough council, one of the local education authorities under his party's control, is so reluctant to spread a greater share of the resources that it has at its disposal to the more socially deprived areas of the borough, such as Reddish?

**Mr. Laws:** Given that Stockport is a Liberal Democrat-controlled local authority, I am sure it is doing the best that it can with the money given to it by the Government. My argument is that additional sources of funding should go into the pupil premium and that it should target deprivation wherever it is. Given that there appears to be the possibility of a consensus, that the Secretary of State has a review of deprivation-related funding, that his Department is making it an even more explicit policy objective to narrow the gap between pupils with high deprivation characteristics and the rest of the school population, and that the major effect of increasing expenditure in terms of its impact on results seems to be felt by those pupils with high levels of needs and deprivation, I hope he will widen the review to do something a little more ambitious.

I also hope that in the context of funding, the Secretary of State and Ministers in his Department will continue to do what they have been seeking to do over the past couple of years and address the continuing funding gap between the schools and further education sectors. Some modest progress has been made towards that, but there is still a long way to go.

**Andrew Gwynne:** I do not wish to press the point too much, but the issue is not that Stockport, a prosperous borough, should have more; it is that Reddish, which is a more socially deprived part of Stockport, should get a greater share of the resources that Stockport has at its disposal. Stockport constantly says that it should have equal funding with Manchester city council and Tameside metropolitan borough council, two more-deprived neighbouring authorities. That is nonsense. Does the hon. Gentleman not agree, however, that Reddish and other socially deprived parts of the borough should get a greater share of Stockport's very generous allocation?

**Mr. Laws:** As the hon. Gentleman makes his point in a serious way, I will reply in a serious way. He would not expect me to be an expert on the level of per pupil funding in Reddish, but if he and his colleagues adopt the policy that I am trying to persuade them to adopt in their magpie-type mode, it would deal with the problems that concern him.

**Ms Angela C. Smith:** The hon. Gentleman seems to be arguing for an overall increase in the Department's budget nationally. How would his party pay for that?

**Mr. Laws:** We published proposals on that in July. We would take more people who are higher up the income distribution scale out of the tax credit system. The tax credit system is ludicrous. Tax credits are designed to help those in the greatest need, yet they go to people 90 per cent. up the income distribution scale. I am sorry to say that our proposals have not been given enough publicity to attract the hon. Lady's attention. I am happy to send them to her. Our proposal would take money, within a tight and constrained public expenditure round, from those people who should not be the priority of a Labour Government and give it to those who should be in terms of educational opportunities.

**Ms Smith** *rose—*

**Mr. Laws:** I shall give way to the hon. Lady, assuming that she is about to make a serious point.

**Ms Smith:** Only to say that there is a big black hole in the hon. Gentleman's spending plans, which would not help children to raise their levels of attainment.

**Mr. Laws:** I think that the hon. Lady thought up her supplementary question before listening to my answer. I am happy to send her all the documents. If she wants to criticise our proposals on tax credits, that is legitimate, but she cannot claim that there is a black hole, because there is not.

May I also press the Minister for Schools and Learners to say a little more about standards and structures, which the hon. Member for Surrey Heath touched on? There clearly has been a significant change in Government policy. As the hon. Member for Surrey Heath indicated, in one of his last education speeches the former Prime Minister, Tony Blair, said that

"over time I shifted from saying 'It's standards not structures' to realising that schools structures...affect standards."

In the Secretary of State's first statement, he turned the situation around and said that it would all be about standards rather than structures. He went back to 1997, 1998 and 1999. That has left people rather baffled about what message the Government are trying to send out.

Does the Department have a clear and coherent policy on whether it is in favour of reform and changing structures to drive up standards? On the one hand, the message that it is sending out is that there has been a change—a break from the Blairite years, more focus on standards, and less obsession with structural change. Indeed, the Minister's reply in July contradicts the Labour party's manifesto position on wanting every maintained secondary school to become an independent school.

On the other hand, we have all these nods and winks from Ministers to those that they want to keep onside that there are no changes. On the day before the Secretary of State's first statement, an article in the *Financial Times*, a reputable newspaper, said that it had been briefed that the academies programme would be cut back and throttled—*[Interruption.]* It was not members of the Conservative party who said that; I fear that it was members of the Secretary of State's Department.

There are nods and winks to the unions and others indicating that the position is changing; yet when the Secretary of State is challenged on the Floor of the House, he says, "No, no, no. We haven't changed anything at all." Are the Government trying to keep the same policy, but pretend to their Back Benchers and others that there is a change? Have we got the old policy, or are we moving to a new policy that goes back to the standards issue?

**Ed Balls:** Does the hon. Gentleman not recall that in that statement to the House I announced a series of reforms that will mean that we can go faster and have more academies?

**Mr. Laws:** I do, but I recall a lot of other people telling me at the same time that the messages coming out of the Department, with a nudge and a wink—*[Interruption.]* The power of the hon. Member for Surrey Heath may be great, but it is not that great. It does not extend to some of the people that I have been talking to.

I think that the Secretary of State is maintaining that there is no change in policy, and he has loyally signed up to the Labour party manifesto position on independent secondary schools, despite the fact that the Minister for Schools and Learners has contradicted him in parliamentary answers.

I invite the Secretary of State to tell us why he chose, in his very first statement as Secretary of State, to say something about the standards versus structures debate that appears completely to contradict what the former Prime Minister, after his long experience, said was his belief about the way in which the education system should develop.

**Ed Balls:** I am happy to do so. It is good to have a serious debate about education policy.

In that statement I announced a series of changes, or reforms. I changed the £2 million funding requirement and the national curriculum requirement. I also said that the goal of structural change was not reform as an end in itself, but that reform was justified when it drove up standards. I believe the academies programme is doing that, which is why I support it.

**Mr. Laws:** That helps me to some extent, but the fact remains that the Secretary of State chose to say in his very first statement that he was going to put standards before structures. He is bright enough—easily bright enough—to know that what he was doing was contradicting the former Prime Minister. The former Prime Minister would never have said that structural change was an end in itself in which he believed for the sake of it. He said that he wanted structural change because it was the only way of driving up standards without flogging the system from the centre. The Minister for Schools and Learners nods, but the Secretary of State retains his slogan about putting standards before structures, so we are still a bit baffled.

If the policy is really unchanged, will Ministers make clear today what it is in the academy model about which they are so passionate? Is it simply that the Secretary of State wants to keep various people in the Department and retain the academy model so that he does not appear to be an anti-moderniser, or does he really believe in it?

**Ed Balls:** It is raising standards.

**Mr. Laws:** Ah! In that case, my supplementary question to the Secretary of State is this: what aspect of it is raising standards? Is it the flexibility that academies have, or some other aspect of the academy model? And when we have an answer to that question, may we know whether the flexibilities and freedoms that academies have perhaps—in the view of the Secretary of State—used to drive up standards will be extended to other schools or gradually throttled back, as some people, legitimately or illegitimately, fear?

The Minister pretends not to understand, although he understands very well. I am asking him, when he sums up the debate, to put clearly on the record why he is in favour of academies, whether it is their flexibilities that he welcomes, and whether he agrees with me that if those flexibilities are a good thing they should be extended to more schools.

**Ed Balls:** Will the hon. Gentleman give way?

**Mr. Laws:** Of course.

**Ed Balls:** I apologise for intervening on the hon. Gentleman again. I took only two interventions from him, and he has now taken three from me. But if he looks at a leaflet produced by the Newington Liberal Democrats in the summer of 2007, the Newington ward "Focus", he will see this quotation from a Liberal Democrat councillor:

> "We have seen how the new City of London Academy in Bermondsey and the Academy at Peckham have transformed education in the area with state-of-the-art buildings and facilities".

There we have a Liberal Democrat explanation of why academies have been driving things forward. I would suggest that leadership and innovation are further reasons for that, but in any event there are real reasons why academies in disadvantaged areas are driving up standards, and that is why I support them. The hon. Gentleman should listen to the substance of what is said by the Liberal Democrats and our party, rather than listening to the spin of the Tories.

**Mr. Laws:** Now we know what all the extra people whom the Labour party has been hiring in recent weeks have been doing: they have been going around collecting copies of Newington Liberal Democrat "Focus" leaflets.

I do not disagree with any of that. I was trying to get the Government's position on the record, but I was also trying to tease out the view of the Secretary of State and his Department on why academies are a good thing, if that is what they really believe. I should also like to hear later whether the Secretary of State wishes the powers and freedoms of academies to be extended to schools.

The Secretary of State is waving the leaflet. I should be delighted to look at it later, although I see all these things before they are sent out anyway.

The Secretary of State may wish to intervene on another issue, that of reform of the Qualifications and Curriculum Authority and its independence. I am delighted by this further magpie move by the Government—I may give credit to the Conservative party on this occasion. It is rare for the pinching process to work in this way, but the hon. Member for Surrey Heath, at least, has claimed that he advocated the policy some time ago. I am delighted to say that my hon. Friend the Member for Bristol, West (Stephen Williams) advocated a similar policy in August, and was condemned by the Schools Minister for trying to undermine confidence in the examination system.

I think it is a good thing that the Government are to seek to make a portion of the QCA more independent. There has been a breakdown of confidence in the examination system in recent years, and this move may have a real effect. Many educational institutions, particularly private schools and high-performing state schools, are considering opting out of the existing qualifications framework altogether. That is worrying, because we risk a return to the days when the Secretary of State and I were at school, when there were different qualifications for people with different abilities. We do not want to discover that the existing qualifications are regarded as second-grade, and only for some schools.

I do not believe that the Secretary of State has yet published his consultation paper on the independence of part of the QCA. If I have missed it, I apologise. We look forward to playing an active part in the consultation on the independent model that the Secretary of State proposes. I ask him, however, to retain an open mind on whether additional elements of the management of our education system could do with rather less politics, and rather more of the expertise we have seen in some of the other models that the Government cited in the letter that the Secretary of State kindly sent to us on the day of his conference speech, letting us know of the proposed changes to the QCA.

In paragraph 8 of the letter, the Secretary of State said that

"the Government's approach has been to develop transparent frameworks for decision-making by an accountable body".

That related to other changes, including the change in the position of the Monetary Policy Committee of the Bank of England, one of the policies in which the Secretary of State was particularly involved in 1997. The Secretary of State proceeded to develop the argument, explaining that he sought to do the same in respect of the QCA changes.

The problem with the changes that the Secretary of State is making is that—as I think he would be the first to admit—they are far more modest than the Monetary Policy Committee changes, which transferred a major area of decision making to a separate body in relation to policy, with overarching strategic control from the Government. As the Secretary of State is honest enough to admit in paragraph 9, the proposal for the QCA, although worthwhile, is indeed far more modest—namely the creation of

"a distinct independent regulator of qualifications and tests."

Creating a regulator is very different from seeking to establish a greater distance between the decisions of Ministers and decisions about what type of education obtains in every school in the country.

I believe that all sorts of additional elements could be included in the Secretary of State's independent model which would allow us to engage in more sensible, intelligent, rational debate about the curriculum, and might lead to more independent sampling of pupils over periods of time to judge whether examination standards or pupils are changing. We should also be thinking, at least, about whether not a reformed QCA but the type of education standards authority that we were beginning to discuss when the Secretary of State came along and announced his policy—

**Ed Balls:** A different policy.

**Mr. Laws:** It is slightly different. I am grateful to the Secretary of State for mentioning that.

We should think about whether a body of that type could also commission independently work on education standards and how to improve them in schools, in a way that would not leave it to the passing fads espoused by Ministers to establish that this or that particular way of learning was in vogue.

I do not know whether this applies to the body that the Secretary of State envisages, but I believe that many people in the country may feel that aspects of education policy and the curriculum have been excessively politicised over many years, and that—without losing strategic political control and returning to James Callaghan's description, pre-1979, of education as a secret garden—we should take some of the politics out of the issues. I am not sure whether the Chairman of the Select Committee is hovering, waiting to intervene.

**Mr. Sheerman:** No.

**Sir Gerald Kaufman** (Manchester, Gorton) (Lab): On a point of order, Mr. Deputy Speaker. I should be grateful if you would tell me what protection Back Benchers have in this debate. The hon. Member for Surrey Heath (Michael Gove) spoke for 21 minutes; my right hon. Friend the Secretary of State spoke for 23 minutes. The hon. Member for Yeovil (Mr. Laws) has so far spoken for 32 minutes, more than twice the maximum allowed to Back Benchers. Are Back Benchers to be given an opportunity by the Liberal Democrats to speak in the debate?

**Mr. Deputy Speaker:** The right hon. Gentleman will have an opportunity to catch my eye in due course, but I must say that it is incumbent on Front-Bench spokesmen to keep a strict eye on how much time is available for the debate as a whole.

**Mr. Laws:** I am sure that you, Mr. Deputy Speaker, and the right hon. Gentleman are right—although I have been excessively generous in giving way to the Secretary of State—and I shall raise only one further concern about Government education policy before giving other Members a chance to speak.

Are the Secretary of State and the Minister for Schools and Learners still committed to the harsh—almost authoritarian—model that they seem to have been proposing for the upcoming education Bill of later this year, which will have the worthy aspiration of keeping as many youngsters as possible in education until the age of 18? Is the route that the Government envisage going down of criminal sanctions on both children and parents the right one, or could we not usefully adopt a more entitlement-based route with a greater degree of flexibility about when people take free education? Would that route be not only less authoritarian, but more effective for many of the youngsters who drop out of the education system at 16—many of whom are, for a variety of personal reasons, not ready at that stage to engage in the type of

*[Mr. Laws]*

activities that the Secretary of State thinks he can oblige them to engage in under powers of criminal imposition?

I have mentioned a number of the issues that we will want to raise over the weeks and months ahead. Sadly, since the former Chancellor became Prime Minister the Government have lost direction in their long-term thinking not only on economic strategy, but in many areas of public service delivery. There has been a magpie approach of selecting policies from others for short-term political gain. We hope that if the Secretary of State continues that magpie approach, he will do so in respect of some of the serious issues that have been debated today rather than for short-term political effect.

**Mr. Deputy Speaker:** I remind the House that Mr. Speaker has placed a 15-minute limit on Back-Bench speeches. That applies from now on.

2.52 pm

**Mr. Barry Sheerman** (Huddersfield) (Lab/Co-op): When I first saw that there was to be an education debate in the first week after the recess I was delighted, but I became rather depressed when I saw its terms. We all know where certain figures come from, and we all know that figures can be bent or skewed—or spun, even. People across the political spectrum whom I respect are angry about the terms of the debate, which feed views that come from the right of the political spectrum, as represented by Politeia, Civitas and the Adam Smith Institute, and which continually denigrate state education in our country.

I do not think that the hon. Member for Havant (Mr. Willetts) would ever have tabled such a motion, and I am disappointed that we have begun after the recess on this note. I hope that in future the hon. Member for Surrey Heath (Michael Gove) will reflect on the fact that it is fine for Members who so wish to conduct themselves in this Chamber as though they were taking part in a student debate in the Oxford Union, but that a clever debate can be held without resorting to rudeness and ridicule. That is not how to try to establish a good relationship across party divides with those of us who care very much about the education sector.

A new evaluation of Members of Parliament was published this morning in which 5 per cent. were deemed "outstanding", 40 per cent. "good", 40 per cent. "satisfactory", and 10 per cent. "inadequate". It appears that 5 per cent. will be put into special measures. There was, of course, no such poll, but if there had been there would be much resentment among Members who were not in the "satisfactory" or "good" category.

**Anne Main** (St. Albans) (Con): Will the hon. Gentleman give way?

**Mr. Sheerman:** No, let me develop my point.

I talk to head teachers and school staff around the country, and that is the sort of resentment they feel. Many of them remind me of an interview that I had with Ofsted three years ago, in which "satisfactory" was suddenly deemed not to be satisfactory and instead it was necessary to be deemed "good". There is a changing world for schools, and we must remember that it damages them if we constantly drag out statistics that suggest that a high percentage of children are being failed and are not being well served by the education process.

I know that all sorts of statistics can be produced, but when we carefully examine them some surprising facts can occasionally be discovered, and I want to remind the House of one fact about research conducted in 1994. There was tremendous complacency about how well our primary schools were doing. People were making speeches saying that we had the best primary education in Europe, but the Conservative Government conducted an evaluation and found that achievement of the required standard in English was as low as 44 per cent. and for maths was as low as 42 per cent. We must pay tribute to the Conservative Government who decided to conduct that test—although it did so rather late in the day—because that was the start of the process of trying to find out exactly how our children are doing in school.

Since then, there has, of course, been a tremendous improvement. I was in touch with the university of Buckingham this morning, which was disappointed about the allegation of a 40 per cent. failure rate at 11. The general view is that the underachievement rate is about 20 per cent. There have been tremendous increases in literacy and numeracy—the rates hover at about 78 to 80 per cent. That is a remarkable change, and the fact that we have much higher standards is down to the teachers, the heads and the students in our country.

We should also look at the context in which some schools operate. Serious educational academics give evidence to my Select Committee. Professor Gorard, for example, says that we should look at the schools that do not have the highest achievement rates in context, because the schools that face the most challenging circumstances are likely to be classified as failing. He said:

> "The last time I looked at the schools that were being put through special measures and so on, they were disproportionately inner city schools with high levels of disadvantaged children and so on."

The 20 per cent. underachievement rate in primary schools is a problem. A substantial proportion of that 20 per cent. are children with special educational needs, children from families who have recently settled in this country and children who have had a really bad start in life, with bad parenting and little home support.

**Mr. Chaytor:** Does that not reinforce the point that I tried to make earlier: that it does those children or their parents no service when the Opposition continuously to refer to them as failures? Many such children come from extremely difficult backgrounds and have serious learning difficulties, and merely because they fail to reach level 4 at key stage 2 or do not achieve five A* to Cs at the age of 16 does not mean that they are failures.

**Mr. Sheerman:** My hon. Friend makes a good point. He and I listen to the evidence presented to the Select Committee, and that is what we find. I repeat that it

helps no one to exaggerate underperformance in our schools, whether at primary or secondary level, or even at 16 to 18.

I take issue with some correspondence that recently appeared in *The Times*. It used to be a good newspaper—I think that the hon. Member for Surrey Heath had a hand in its steady decline—but one contributor to the correspondence was Clarissa Farr, the high mistress of St. Paul's girls' school in the City of London, who decried the failure of state schools. After I read that, I looked at what the Leader of the Opposition said to his party conference:

"And yes, I went to a fantastic school and I'm not embarrassed about that because I had a great education and I know what a great education means. And knowing what a great education means there is a better chance of getting it for all of our children which is absolutely what I want in this country."

In many ways, that was a very good thing to say, but people who decry state education encourage parents around the country to ask whether it is good enough for their children. That encourages the flight from local and community schools that I described earlier.

I wrote to *The Times* making it clear that I go to more schools than most Members of Parliament, and that in most of them I see high achievement, good leadership, excellent teaching and fantastic learning. I will not undermine that achievement, but I know that schools want a fair chance to achieve. It is all very well for the high mistress of St. Paul's girls' school, or people who went to Eton, to decry state education, but their backgrounds do not include poor kids on free school meals, or pupils with special educational needs, or looked-after children. I believe that the teaching staff of the elite schools would deserve to be examined very closely if their charges did not get five straight As at A-level and go on to the top universities.

I want to make the very serious point that schools in our communities depend on a fair distribution of population. Recently, I visited a school in Maidstone in Kent, where there is a cluster of three secondary moderns among many grammar schools. One secondary modern was doing exceptionally well, with two-thirds or three-quarters of its pupils going on to higher education. What Labour Members know, and Opposition Members deny, is that the overall performance of all children in Kent, despite that county's selective education and grammar schools, is very poor and is below the national average. The children there who do not get into the selective schools do not get the same chances as children elsewhere in the country.

When 65 per cent. of a school's pupils have special educational needs, and when 100 per cent. of its pupils are on free school meals, the task facing any headmaster is very challenging, however inspired the leadership and teaching. Those problems must be borne in mind when we discuss our country's education sector. The Select Committee has looked at school admissions and performance, and head teachers have told us time and again that what they need is the opportunity to have their school populations made up of children with a fair range of abilities, because only then will they be able to show what they can do.

In contrast, the flight from schools in town centres that I have described occurs when parents believe that such schools cannot be as good as schools three miles away. It is assumed that the latter must have nicer children, but the result is that schools in town centres are of a lower standard because they are not able to teach all the children from their local communities. That is the lesson that people who went to Eton, or who teach at St. Paul's girls' school, need to learn; otherwise they may not understand the problem as well as they should.

I have been accused of being the ghost of policies past, but I want to discuss one aspect of being an elected representative in this House. I believe passionately that people who want to give their children an independent education should be able to do so. We live in a free society, and Andrew Adonis was right to tell the independent head teachers last week that the Government have no plans to stop people sending their children to independent schools.

Moreover, I do not hold any hon. Members responsible for where their parents sent them to be educated. That was a choice for our parents, not for any of us, but we in this House are public representatives and it matters where we send our children. Regardless of which party is in government, we will never get decent schools unless we understand that people in the electorate will not elect someone who does not have confidence in state education and who does not send his or her children to the schools attended by the children of ordinary voters. I hope that, when the next election comes, a website will be available that shows voters precisely where prospective Members of Parliament choose to send their children.

**Mr. Laws:** Not all Labour Members would be happy about that.

**Mr. Sheerman:** The hon. Gentleman points his finger across the Floor, but I know of only one or two Labour Members who would not want to make that information available. I assure the hon. Gentleman that I would say the same to them as I would to hon. Members in other parties.

I shall conclude my remarks in a moment, as I am aware that there is a shortage of time in this debate. The hon. Member for Yeovil spoke for a long time, which reminded me of the hon. Member for Harrogate and Knaresborough (Mr. Willis), a former Liberal Democrat spokesman on education. However, I think that today's presentation surpassed even the previous record.

My final point is to say that I disagree strongly with my party's Front Benchers. For six years, I have taken evidence as Chairman of the Education Committee, and I am very interested in where our education policies come from. This is a famous year, as it marks 20 years since the introduction of the national curriculum, and 10 years since the publication of the Dearing report. Sometimes, our political parties can act consensually—as they did, for example, and for a time, with higher education, the national curriculum, testing and assessment, and Ofsted.

When we are able to reach such a consensus, education takes a leap forward. At the moment, however, it is clear that the Conservative party rejects that consensual approach, as evidenced by the appointment of the hon. Member for Surrey Heath as its spokesman. That is disappointing, but I hope that

*[Mr. Sheerman]*

the Conservative party will return to the centre ground and make common cause with the rest of us. If we work together and communicate with each other, we can ensure that our children's education—and the education sector as a totality—will prosper.

**Several hon. Members** *rose—*

**Mr. Deputy Speaker:** Order. Before I call the next speaker, I remind the House that, although there is a 15-minute limit on Back-Bench speeches, the entire allocation need not be taken up.

3.8 pm

**Anne Main** (St. Albans) (Con): I should like to be able to say that it is a pleasure to follow the hon. Member for Huddersfield (Mr. Sheerman), but I had trouble understanding some of the rules and regulations that he seemed to lay down about where people should send their children to be educated. However, I agreed with the hon. Member for Yeovil (Mr. Laws) when he said that there has been far too much politics in education and teaching over the years—a fact that I can endorse fully.

When I was a teacher in an inner-London secondary school, all classes had to be mixed ability, even though some children could barely read and write. Teaching such children was not an edifying task, and I still admire the way in which teachers struggle with pupils who are similarly ill equipped for secondary school. Mixed ability classes remain, and because of the absence of a system based on sets or streams that suit individual children teachers cannot teach to a child's ability.

Teaching is a hard job. I attended my local state school, and I am grateful to have been lucky enough to be taught well there. I get heartily sick, as do many of my colleagues, of the issue of where we go to school being used as a political football. Having taught in an inner-London comprehensive school, I suggest that it would be more edifying if more people focused not on where we went to school but on what our schools are like and talked to teachers doing the job.

Teaching is a hard job and we cannot thank teachers enough. They have put up with so much rubbish being thrown their way over the years. They have had experimental schemes, such as the initial teaching alphabet in reading. They have had to teach mixed-ability groups, even though no one knew whether the system would work or how to help them to make it work. Now we have massive school discipline problems.

Like many mums and dads, I have been a parent governor and a parent helper, helping pupils to read and so on. Teaching is hard work and there is always challenging behaviour, but teachers are not helped by some of the regulations that stop them removing challenging pupils. The Conservatives propose that schools should be able to exclude pupils who repeatedly flout school rules.

Many parents have to draw up home-school agreements, but realise that they are not worth the paper they are written on, not because of a lack of good intentions on all sides—from the pupil, the parent and the school—but because the school has absolutely no sanction to ensure that agreements are implemented. Pupils who do not want to engage productively in education, whose life mission is to disrupt the education of others—I have taught some of them—quickly wise up to the fact that there is little that the school can do. Their attitude is, "You can't get rid of me, guv". Schools can do little to ensure that such pupils stop making the lives of teachers and other pupils a misery.

I wish there was a formula for totting up the number of wasted classroom hours and opportunities, the missed trips and the lack of creative work because of the disruptive pupil at the back who will not allow the class to study. Such a system would show why some teachers have been tearing their hair out over the years. Many teachers would welcome being given back the authority that they used to have but which has been undermined by slack uniform policy, and by policies that schools cannot enforce or that are flouted by parents or pupils.

We need firm and reasonable home-school agreements, but if, once all opportunities have been exhausted, the school wants to exclude a pupil, it should be able to do so. The exclusion should not be overturned by some other body, to the annoyance of the school, which then has to take back a pupil who is waving a metaphorical two fingers in the air and continues to behave disruptively. I urge that aspect of our policy on the Secretary of State and hope that he will focus his energies on school discipline, not through sanctions but by giving power back to schools to run things as they see fit.

I struggled with the hon. Member for Huddersfield's assertion that people do not want to send their children to inner-city schools. Some of the best schools in my area are in the inner city. I am not a geographical person. I believe that what makes good schools and good learning practice are teachers, pupils and parental support, not necessarily the location of the school and whether it has state of the art equipment.

We should not deprive our schools of what they need to do their task, but I am sometimes amazed that people who pontificate about what our schools most need often look only at statistics and not at the value added in schools by hard-working teachers. I recognise the irritation expressed in the sedentary comments of some of my hon. Friends when they hear claims that we have been referring to "failing" schools. It is the pupils who are failed, not the school or teachers who are failing. Pupils are failed by our inability to ensure that they have the right learning atmosphere in school. That is what we have to tackle.

I am an old-fashioned girl. I went to a Church primary school; it was tiny, and older and younger pupils were taught in the same space—we did not have separate classrooms—but the teaching was excellent. Why? It was because the school had an ethos of excellence supported by parents and pupils. If we did not behave at school we were quickly sent home, and if my parents thought I had been in trouble at school—God forbid—I soon knew about it.

The atmosphere at my school was completely supportive. Parents left out of the equation, or who feel helpless, often tell me that they cannot make their child do things because the child knows he can get away with it. We need to ensure that schools are given back the power to re-establish relationships.

Funding is especially difficult for schools. Serious consideration has been given to special educational needs funding in Hertfordshire—a subject about which I am passionate and which the Conservatives have explored. Special educational needs cover a wide spectrum. It is hugely positive, encouraging and inclusive for some pupils to be educated in the mainstream state system, but other pupils do not have that experience. I have met families whose severely autistic children have been statemented. The parents wanted to take their SEN funding to a special school that met their child's needs. Like me, they believe firmly that each child should be taught according to their ability in the school that the parent feels is right, which includes an education that is tailored to the child's needs. We should not try to insist that every child is shoe-horned into mainstream education under an inclusiveness policy that actually excludes the child, who may simply sit at the back of the class unable to participate fully.

I am sure that we have all heard of hard cases—of parents asking whether they can take their SEN funding to a special needs school. Unfortunately, the pendulum seems to have swung in quite the other direction and parents can no longer take the funding to the school of their choice. I feel passionately that there should be more special needs schools.

We should have excellence in schools, but we cannot produce it simply by measuring the number of targets that have been met. Our teachers have been bogged down by targets. The only target should be whether a pupil leaves their education happy, having developed and achieved their potential and can engage in a productive working life with employers who recognise their qualifications.

I am extremely concerned about the idea that we should force young people to remain at school until 18. Having taught truculent 15-year-olds, who have no interest whatever in gaining formal qualifications, I imagine that teaching truculent 18-year-olds would be far worse. The first school at which I taught was in Feltham. Its pupils were not high achievers academically, but many of them were hugely engaged by the car maintenance classes. They learned craft or job-based skills, which they might not necessarily use when they left school, and it was recognised that such courses were better for them than subjects to which they were not suited.

If we insist that pupils remain at school until they are 18, the Secretary of State will need a radical rethink of the curriculum; otherwise, there will be a raft of pupils and parents at loggerheads with the local authority, because young adults will be forced to attend school rather than to choose what they want to do with their lives. Compulsion at that age is not the right way forward and I am extremely concerned about the proposal. I shall watch its progress with interest.

I am fully aware that other Members want to speak, so I shall conclude my remarks.

3.19 pm

**Sir Gerald Kaufman** (Manchester, Gorton) (Lab): The hon. Member for Surrey Heath (Michael Gove) is a trenchant, amusing speaker, and he has shown this afternoon that he can make his case in a concise manner. On the other hand, I do not know how he had the cheek to table the motion before us about the standard of education for the children whom we represent. During his party's period in government, right up to when we came into office in 1997, there were local schools in which teachers taught pupils while rain came in through the roof. At Stanley Grove community primary school, they taught music on the stairs. The primary school classes were overcrowded. State schools with 14,000 pupils were starved of money, while £2.25 million a year went to fund assisted places in the three independent schools in my constituency—90 of my constituents had assisted places.

Now, class sizes have been reduced, which has led to new classrooms being opened in schools all over my constituency. That is partly funded through the new deal for education. Let us remember that both the Liberal Democrats and the Conservatives tried to prevent that new deal by voting against the windfall tax funding for it. Primary school children in my constituency get free fruit and vegetables every day. There is far wider computer availability and, again, that is because of the Government's funding.

Major projects are going on in my constituency as a result of the Government's policies. St. Kentigern's Roman Catholic primary school, which I visited only last week, would not have been able to operate—it would have been destroyed—if the quotas amendment in the House of Lords, backed by the Liberal Democrats and the Conservatives, had been made in the last Session. St. Kentigern's has banners outside the school, in the middle of a council estate, proclaiming with pride the fact that Ofsted gave it a report that makes it one of the country's outstanding schools. The school recently opened a novel and marvellous brain zone, which gives the children new opportunities. That is partly thanks to my right hon. Friend the Secretary of State for Transport, who was formerly Secretary of State for Education and Skills.

I shall be at All Saints primary school in Gorton in my constituency a week on Friday to open its new foundation stage unit. That unit will support the new early years framework, in which children aged between three and five learn through play in a stimulating environment. While I am at All Saints, I will present the basic skills quality mark award, which the school has won for the second time. Last month, William Hulme's grammar school in my constituency—one of the three independent schools that took up £2.25 million of my constituents' taxes—became a city academy within the state system. Now, instead of parents paying £8,000 a year in fees to send their boys and girls to that school, no one will pay anything in parental fees, and academic selection has been abolished. It was an all-boys school, but now it is a co-educational school for pupils aged between 3 and 18. As a result, parents' applications to send children to that school have doubled. The school is working towards a pupil roll of 1,000. There is £10 million in Government-funded capital for building to improve the school and increase its capacity.

Off Mount road in Gorton, there is Cedar Mount high school, which exists only because, at my request, a Labour Secretary of State rejected proposals to close down its predecessor on that site. Cedar Mount high school is to be part of an educational village, which is

*[Sir Gerald Kaufman]*

being built now, and which will be completed for pupils next year. There will be two schools on that site: Cedar Mount high school and Melland special needs high school. It is a wonderful sight to see. There will be a two-storey 100m internal street, a sports hall, a community wing, a learning resource centre containing a library and information and communication technology facilities, special subject zones for science, humanities and English, an on-site medical suite offering physiotherapy, and a hydrotherapy pool. That is what Labour Governments finance, and that is what the Labour Government's Building Schools for the Future programme has made possible.

Further up in Gorton, there is the Wright Robinson specialist college. It is a sport and art college, but only because a Labour Secretary of State designated it as such. Before that, it was simply a high school in decrepit buildings that were falling to pieces. The staff were doing a very good job in difficult circumstances. The Building Schools for the Future initiative has launched a project that is on its way to completion, and which cost £33 million in private finance initiative money. That state-of-the-art school will have 1,750 students. The facilities will include a 25m swimming pool, eight courts, a four-court sports hall, two dance studios, a fitness unit, and a free weights room. All of those will be available to not only the 1,750 students at the school, but the local community in Abbey Hey and Gorton. All that is being achieved by a project that this Labour Government launched. Every classroom will have ICT links. There will be seven designated ICT classrooms.

Those are achievements in my constituency in Gorton. If I were not conscious of the time limitations, I could move on to other areas across my constituency and describe how achievement after achievement is being made possible. Of course, that is done through the dedication of the teachers, who are wonderful, the governors and the pupils themselves, but it is made possible by this Labour Government, working with the Labour-controlled Manchester city council.

We have been reminded that the new name for the Department is the Department for Children, Schools and Families, so I should point out that all over the Gorton constituency Sure Start projects are making life much easier for parents. In Longsight, the brand-new Sure Start building, which cost £3 million, is being used for a Muslim women's learning project. We have just gained further finance for that, again as a result of the activities of the Labour Government. There are Sure Start projects all over my constituency.

I agreed with almost all of the speech made by my hon. Friend the Member for Huddersfield (Mr. Sheerman). I disagreed with him on one point that he made when talking about people being allowed to go to independent schools. Of course, I concur with him on that, but he said that parents wanted to choose that option. In my case, had my parents' choice and ability to pay been the governing factor, I would have gone to the nearest secondary modern school, because that was the choice at the time for working-class children whose parents were factory workers.

What I want now in this state system is for parents to be able to choose the school that they want their children to go, and that includes faith schools. That is why I am pleased that the statement made by my right hon. Friend the Secretary of State, which was welcomed by the Archbishop of Canterbury, the Catholic Church, Muslims, Hindus, Sikhs and Jews, championed the right to have faith schools. The Liberal Democrats and the Conservatives would have destroyed faith schools by imposing 25 per cent. quotas on them and wrecking the ethos of faith schools. Last week, I visited the KD Muslim grammar school in my constituency—I present prizes to its pupils. That school would not have been made possible had the Liberal Democrats and the Conservatives had their way, but the Labour party rejected that approach and as a result we have these schools.

**Mr. Sheerman:** If I said what my right hon. Friend believes I said, I shall immediately correct the record. I meant to say that I do not blame anyone for their choice of school for their son or daughter. I did say that we in this House are responsible for where we send our sons and daughters.

**Sir Gerald Kaufman:** My hon. Friend and I have not differed in all the time that we have sat on these Benches, and we shall certainly not do so now.

The hon. Member for Surrey Heath is not only a trenchant speaker, but a literary chap, so I shall conclude by quoting from "The Return of Sherlock Holmes":

"'Is there any other point to which you would wish to draw my attention?'

'To the curious incident of the dog in the night-time.'

'The dog did nothing in the night-time.'

'That was the curious incident', remarked Sherlock Holmes."

The curious incident of the dog in the afternoon today was the hon. Gentleman's deliberate failure to refer to grammar schools. The Conservatives have got themselves into a huge tangle and when he was challenged, he was not able to get himself out of it. He made a nice quip to try to do so, but the fact is that the Tories have got themselves into a mess over grammar schools from which they will not extricate themselves. My right hon. Friend the Secretary of State made it clear that although the Government have achieved nowhere near everything that Labour Members want to achieve, they have nevertheless done wonders in my constituency. My constituents want the Government to go on doing so and that is why they want a Labour Government to continue.

3.33 pm

**Mr. Graham Stuart** (Beverley and Holderness) (Con): It is a pleasure to be back in the House and to find that we are discussing education so early in this parliamentary Session. I am glad to see that the Secretary of State has come down from his excitement about general elections and stopped running around the studios telling everyone that there should be one. He indulged in partisan banter in his conference speech and gave the most humiliating and poor performance in a television studio. Anyone who has not seen it should go to YouTube and search for "IDS versus a load of Balls". They should be able to find the interview and see that the Secretary of State was not fulfilling the requirements of his position.

However, the Secretary of State came to the House today in a spirit of humility, perhaps as a result of his recent experiences, and he was honest about standards. Although many Labour Members were crying out that the Conservatives should not throw light on areas where the current education system is not doing well enough, it turns out that the Secretary of State repeated the key statistic that appears in today's motion—that nearly half of pupils are leaving primary school without the educational attainment that we on both sides of the House hoped to see.

The Conservatives have been clear about the need for greater independence in the setting up of schools and about encouraging more academies. Today's debate has served a purpose by slowly getting the new Secretary of State to change his attitude that structures do not matter and to recognise that they do. Although in his speech he showed no enthusiasm for the academies programme, in his answers to the questions from the Liberal Front Bench, he started to express enthusiasm. We are excited by the prospect of setting schools free and by the belief that those areas of the country where we see the poorest performance, often in inner cities, where local authorities and the Government have not managed to provide adequate opportunities for kids, there is an exciting programme of innovation and change, with parents having a stronger role in determining how schools are run.

The Conservatives will help that by removing the requirement for external donations. We want a single academy contract so that outside providers can run nationwide networks of schools to a high standard, allowing pupil choice—a word that did not appear once in the Secretary of State's speech—to help drive change. I do not know whether this is true of colleagues in the House, but I do not see choice as an end in itself. I see choice as the lever of change, which parents in areas where the schools are not good enough can use to raise standards. Parental choice can be exercised to insist on new schools and on changes to schools that are failing. That is the point of the change agenda. It is not an end in itself; it is about raising standards.

That is why we are excited about the new academies. The Secretary of State is not quite there yet. We want to see whole-class teaching, streaming and setting. We want robust discipline brought back. We do not want rhetoric from the Government. We want the reality. We know that even in the toughest areas, traditional teaching can work. We do not want a return to the 11-plus. Our party has not got itself into a knot about that. We are focused on improving standards in all schools, and we believe that the points that I have made are the way to do that.

**Mr. Chaytor:** Will the hon. Gentleman give way?

**Mr. Stuart:** I do not have time to do so and I will end up stealing someone else's time, so if the hon. Gentleman will forgive me, I shall press on.

There seems to be movement from the Government on synthetic phonics, which my right hon. Friend the Member for Witney (Mr. Cameron) has pushed for some time. It was kind of the Liberal Democrat spokesman, the hon. Member for Yeovil (Mr. Laws), to credit the Conservatives with having pushed that forward. We also believe in a rigorously enforced uniform policy, strict standards of discipline, a strong ethos in the school, and setting by ability throughout the school. The Minister recently stressed that parents from low income families should not find themselves unable to afford that uniform. I hope that he will not contradict our desire for a strong uniform policy, which should be mediated by common sense—I am glad to see him nod.

The Minister would not expect me to do otherwise than raise the issue of education funding. I have done so on many occasions in private meetings and in debates with the Minister. Beverley and Holderness, which is part of the East Riding of Yorkshire, has the fourth lowest education funding in the country. The gap between the best funded authorities and the lowest funded is growing. None of us denies that the best measures of deprivation available to any Government should be used, but the fact that the gap between places like the East Riding and other areas should increase over time is deeply regrettable. I pay tribute to the fact that despite very low funding and the costs of delivering education in a rural area—on which the Minister has previously commented, for which I am grateful to him—and thanks to the teachers, the pupils and the effort made by the Conservative-run East Riding of Yorkshire council, together they have delivered significant, consistent and ongoing improvements in standards. I do not want to take a private comment out of turn, but the Minister might say that doing so well with so little diminishes the strength of the argument for having more. That is not true, however, because money should go to where it can best be used. In the East Riding of Yorkshire, our schools have shown that they can do very well.

I have mentioned to the Minister that Beverley grammar school, which is a comprehensive school in Beverley, Beverley high school and Longcroft school are three outstandingly successful schools. The head teachers from all three schools have mentioned their demoralisation as they try to deal with the funding pressure. I hope that the Minister will examine that issue.

In an earlier intervention, I mentioned the cross-border issue, and I will not miss this opportunity to ask the Minister to re-examine it. That issue may be at the margin, but every pupil who leaves a deprived area of Hull and attends an East Riding school should bring with them some of the funding to provide the extra support that they may well need. That would not be a huge change. The comprehensive spending review has just been announced, and there is an opportunity to make that change in the interests of justice. I know that such a change would be extremely popular in my local area, and it would create gratitude among local people towards the Labour Government.

Finally—I am sure that I will be waved at, if I am using too much time—I want to discuss skills. As the Minister knows, the Leitch review, which was commissioned in 2004, produced the report, "Skills in the UK: the long-term challenge". The report congratulated the Government on positive aspects of the education system, but it also pointed out that more than one third of working-age adults in the UK do not have a basic school-leaving qualification, that 5 million adults have no qualifications at all and that one in six

*[Mr. Graham Stuart]*

adults do not have the literacy skills expected of an 11-year-old. The Government have rightly pointed out the need to improve skills, because the number of unskilled jobs will decrease dramatically in the next 20 years. In my local area, FE colleges have experienced funding pressures, and they see a discrepancy between how schools are treated and how they are treated. Adult courses are a way to feed adults with low skills back into education, but such courses have been closed down and people have been priced out. Given the comprehensive spending review, this is an opportune time for the Minister to address some of those issues.

I have said that I will not speak for overly long, so I will draw my remarks to a close. The new CSR is out and a new Secretary of State is in post. We need to support the innovation of academies and set schools free. We also need a Secretary of State who speaks with the same passion about the need to raise school standards as he does about the destruction of the Conservative party. I hope that the improvement in standards is more of a reality for the Secretary of State than the disappearing chance of a disappearing Conservative party.

3.43 pm

**Mr. Nick Gibb** (Bognor Regis and Littlehampton) (Con): This has been an excellent debate with a thrilling and strong opening by my hon. Friend the Member for Surrey Heath (Michael Gove). Of all the public services, education has the greatest impact in shaping lives, promoting opportunity and ensuring economic strength. If we get education right today, we can be confident about the kind of society that we will have in 20 years' time.

Today's debate takes place after more than 10 years of a Labour Government, who promised that "education, education, education" would be their priority and whose manifesto promised "zero tolerance of underperformance". I shall quote the former Prime Minister, Tony Blair, in his famous 1996 Labour party conference speech:

> "We are 35th in the world league table of education standards. 35th. They say give me the boy at 7 and I'll give you the man at 70. Well give me the education system that's 35th in the world today and I'll give you the economy that's 35th tomorrow."

The Secretary of State has demanded an acknowledgment that there has been an improvement since 1997, and I am happy to provide it. There has been a modest improvement, but instead of 35th in the world, we are now 29th on the same World Economic Forum league table. We are behind Belgium, Japan, New Zealand, Indonesia, Australia, Cyprus, France and Malta. We used to be ahead of the United States, but we are now 14 places behind it; we used to be ahead of China, but we are now behind both China and India, the great emerging economic giants. I ask myself whether this is the extent of Labour's ambition: an education system that is 29th in the world, and therefore an economy that will be 29th in the world tomorrow. There has been a modest improvement, yes, but not on the scale promised in 1997 and not on the scale that we need if we are to compete in the knowledge economy of the new world.

Yes, standards of reading have risen from 63 per cent. in 1996 to 80 per cent. today, but one in five children still leave primary school unable to read properly. There is no excuse for that; in deprived parts of the country, there are primary schools with challenging intakes that get 100 per cent. of their children to level 4 in English. Some 40 per cent. of children leave primary school not having reached the expected level in reading, writing and maths combined; that same 40 per cent. go on to fail to achieve five good GCSEs.

Yes, there has been a modest improvement in GCSE results: 45 per cent. achieved five or more GCSEs in 1997, while 58 per cent. do so today. However, when we include English and maths, the figure is only 45 per cent., and if science is added in, it is only 40 per cent. The gap between the headline figure and the figure including English, maths and science has risen from 10 per cent. in 1997 to 18 percentage points today. Most alarming of all, the figure for 15-year-olds achieving a grade C or higher in English, maths, science and a language has actually fallen, from 27 per cent. in 1997 to 25.7 per cent. today.

The hon. Member for Huddersfield (Mr. Sheerman) was right to point out the importance of the tests and how they reveal some deep-seated problems. It was refreshing to hear the hon. Member for Yeovil (Mr. Laws); with Liberal Democrat education policy under his stewardship, I think there will be a growing consensus between the Liberal Democrats and the Conservative party, given that they are now in favour of academies.

The right hon. Member for Manchester, Gorton (Sir Gerald Kaufman) spoke passionately about education in his constituency. He mentioned particularly William Hulme's grammar school, which I have visited and which is now in the state sector. In a thoughtful speech, my hon. Friend the Member for Beverley and Holderness (Mr. Stuart) pointed out the importance of setting by ability, of whole-class teaching and of good discipline and behaviour.

The problem with this Government is that in recent weeks they have focused too much on spin, and in the past 10 years they have focused too much on eye-catching initiatives. If the Government really want to raise standards in our schools, they need to challenge the ideology that has dominated the educational establishment during the past 30 or 40 years. That ideology led to "look and say" methods of teaching children to read, so that now 23 per cent. of adults cannot read the dosage on an aspirin bottle.

To say such things is not, as the hon. Member for Huddersfield suggested, to talk down the education system, but to point out the realities—

**Mr. Sheerman** *rose—*

**Mr. Gibb:** I shall not give way, because of the time available.

If we want a consensus, we have to address those realities so that we can address the solutions to such problems together. The ideology that I have mentioned led to mixed-ability teaching in our comprehensive schools; the bright become bored and the less able become disaffected, and that invites disruption and

truancy. In an excellent speech, my hon. Friend the Member for St. Albans (Anne Main) was right to point out the difficulties of teaching mixed-ability classes, in which there are wide ranges of ability—with some children barely able to read and write and others who should be going to Oxford or Cambridge.

When the Labour party came to office, it promised more setting. Yet after 10 years in office, only 40 per cent. of academic lessons are set by ability. That means that six out of 10 lessons still take place in mixed-ability classes—the kind of classes that are difficult to teach, as my hon. Friend pointed out. I know that many Labour Members share those concerns.

**Mr. Chaytor** *rose—*

**Mr. Gibb:** I shall not give way, because of the time available.

The issue is not one of left or right, but about ensuring that our schools adopt tried and tested teaching methods and a curriculum that imparts knowledge as well as skills. It is about keeping out of our schools ideologically driven fads that have not been tested and that, when implemented, lead to declining standards.

The Government talk about wanting to improve behaviour in our schools, but they have made it increasingly difficult for head teachers to exclude disruptive pupils. They have refused to allow schools to make the signing of a home-school contract a condition of acceptance at a school. They have refused to abolish appeals panels, which second-guess the decisions of head teachers to exclude. As a result, a quarter of appeals are won by the excluded child, who then returns triumphantly to the school to challenge the authority of the head and the teaching staff. That is why teachers leave the teaching profession, and it is why standards are low in too many of our schools—51 per cent. of them according to Ofsted and the Secretary of State's predecessor.

I had hoped that Education Ministers would follow the lead given by my right hon. Friend the Member for Witney (Mr. Cameron), who put country before party advantage when he supported last year's Education Bill, which would have fallen but for Conservative votes supporting the Government in the Aye Lobby. I had hoped that we could work together—I hope that we still can—to ensure higher standards in our schools. But all we now hear and read in the newspapers from the Minister for Schools and Learners and his right hon. Friend the Secretary of State is a return to the old politics of cynicism and spin. I say that more in sorrow than in anger. The country will have to wait two years before we can see a genuine reforming Government who will actually deliver higher standards in all of our schools.

3.51 pm

**The Minister for Schools and Learners (Jim Knight):** I welcome today's debate and thank hon. Members for their insightful contributions, which I shall try to comment on in a moment.

My right hon. Friend the Secretary of State has outlined the significant progress that has been made in our schools over the past few years since our dodgy inheritance from the Conservative party, but as he has also acknowledged, we know that our education system is not yet world class. While we have many outstanding examples of schools, with more children and young people than ever before performing to their best at school, we want excellence to be the standard available to all so that each child has the opportunity to fulfil their potential.

We want to deliver genuine opportunity for all, overcoming attainment gaps and eradicating child poverty, ensuring that outcomes are determined by talent and hard work and building a fair society and a culture that celebrates success. Thanks to unprecedented investment over the past 10 years, and the immense dedication of all those who work in schools, we have exceptionally strong foundations to build on. We will continue to sharpen our focus on ensuring that every pupil gets a personalised education, responsive to their individual needs and supportive of their individual talents. We will get each child off to the best possible start in life by giving them the skills they need to thrive in the modern world.

Because we believe that learning is a right and not a privilege, and that everyone should have the opportunity to benefit from this right until at least the age of 18 as a precursor to a successful adult life, we will be legislating to extend this right to every single young person in England, and in doing so we will raise aspirations and galvanise the whole system to do better for our young people. We are prepared to put in the necessary investment to realise those bold ambitions, creating the world-class education system supportive of every unique individual that this Government are determined to deliver and to which Conservative Members only pay lip service.

The Opposition run down our achievements, while their spending plans make it very clear where their priorities lie. Their proposals to raise the inheritance tax threshold to £1 million would cost £3 billion, delivering £2 billion in benefits to their old school friends in the richest 5,000 estates. By contrast, our priorities are to invest in a fair level of inheritance tax, and put the remaining £2 billion into health and education—proposals that properly meet the aspirations of the public for the future of their family, not just at the end of their lives but at the beginning of their children and grandchildrens' lives too. That is an investment in everyone's future, rather than immediate cashback for the wealthy.

What do our passion and priority for education mean to our constituents? One thing they all see is new schools. My capital announcement today means that by the end of the latest spending period there will have been a sevenfold increase in investment in real terms since 1997.

The new funding will go towards ensuring that our youngest children have the best possible learning environment—inspiring new buildings and integrated technology instead of the cramped classrooms, peeling paint and outside loos under the Tories. We can not only build 675 replacement primaries in England and more than 400 new secondaries, but provide new money for councils not yet in the Building Schools for the Future programme for special educational needs pupils and diplomas. We can also provide more money

*[Jim Knight]*

for school kitchens and, of course, £3 billion devolved straight to schools and more than £4.5 billion devolved to councils.

In 1997, the Tories' whole capital budget was well short of only £1 billion. However, our determination is not only to create successful schools but to support strong and confident families, thus helping families to help themselves. How can children achieve in school if we do not do better for their health, safety and early development, and support their parents and carers? Through the children's plan, about which we are currently consulting, we draw on the expertise of all those who live with, work with and understand children in order best to address those genuinely tough issues.

Through the 10-year youth strategy and its commitment of more than £650 million, we have signalled our intent to offer young people the opportunity to develop and grow through participating in positive activities beyond school. The Labour party—the Government—is committed to putting its money where its mouth is.

We have had an engaging debate, although at times it has spread more heat than light. It was led by the hon. Member for Surrey Heath (Michael Gove), who displayed a mastery of drama but gets no marks for history. He said that he wanted to set up more parent-promoted schools, but parents already have the power to establish schools under the Education and Inspections Act 2006. The first parent-promoted school, Elmgreen school in Lambeth, opened this September, with support from the Labour council and local Labour Members of Parliament. As it expands, it is due to move into a new building. Perhaps the hon. Gentleman can have a word with local Tory councillor Andrew Gibson, who opposes expanding a parent-promoted school.

The hon. Member for Yeovil (Mr. Laws) made an interesting speech, which contrasted with that of the hon. Member for Surrey Heath. He asked about child poverty. It is the joint responsibility of the Department for Children, Schools and Families, the Department for Work and Pensions and Her Majesty's Treasury to tackle that. All three Departments take a joint lead and, as he said, we have a public service agreement target to halve child poverty by 2010 and eradicate it by 2020. The DWP is investing £150 million in helping parents get back into work, and our Department is improving education and access and funding to child care. On 2 August, £4 billion over three years was announced for children's centres and child care. That includes child care to support 50,000 parents into work or training.

The Chairman of the Select Committee made a thoughtful speech and demonstrated why he commands respect from all hon. Members. The hon. Member for Surrey Heath needs to learn from that.

The hon. Member for St. Albans (Anne Main) drew on her experience of teaching when the previous Government were in power. She supported abolishing exclusion appeals despite the inevitability of that increasing the number of cases that go to the courts and posing a huge threat to special educational needs pupils and their parents. It is up to local authorities to decide whether to keep open, replace or build special schools. Today, I have allocated £608 million to local authorities that are late in the Building Schools for the Future programme, asking them to spend it on diplomas and special educational needs provision in their areas.

My right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman) spoke about the brain zone in his constituency. His intelligent speech was certainly in concert with that.

The hon. Member for Beverley and Holderness (Mr. Stuart) also contributed to the debate. I was delighted to visit his constituency last month, where I saw the effect of the June floods and the extraordinary efforts of staff in the school that I visited, led by their head teacher John Bennett. I am sure that the hon. Gentleman welcomes the £61.7 million that I have allocated to his local authority in my announcement today.

The hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) made a thoughtful speech, which made me wonder why he had not been promoted to the position of shadow Secretary of State. However, he repeated the statistic regarding five A* to C grades, including English, maths, science and a language. The proportion of pupils studying a language has fallen because it is no longer compulsory—a change that was made in 1997. Using that statistic is therefore simply spin and the hon. Gentleman should be ashamed of himself for doing that.

I welcome the opportunities offered by today's debate to acknowledge the commitment and dedication of all those working in our schools. I recognise that we have more to do to ensure that every child reaches their full potential through school and is able to find an education that inspires and motivates them beyond the age of 16. However, unlike the Conservative party, we have the answers—through our commitment to personalised learning, the package of reforms for young people, including the youth strategy, new, challenging choices to study diplomas and extending every young person's learning until the age of 18.

The Conservatives are rich in rhetoric, good on gimmicks and poor in policy. They run down the achievements of pupils and teachers while offering nothing new. We have the policies to build the world-class education system to which we aspire. We will continue to invest in children, schools and families, to drive up standards and to give teachers the discipline powers for which they ask. We will continue to win the argument with the Opposition as we have done on selection, the curriculum, and early years.

I therefore urge hon. Members to defeat the Conservatives in the Lobby by rejecting their vacuous motion.

*Question put*, That the original words stand part of the Question:—

*The House divided:* Ayes 231, Noes 313.

**Division No. 205]** **[4.00 pm**

**AYES**

| | |
|---|---|
| Afriyie, Adam | Ancram, rh Mr. Michael |
| Ainsworth, Mr. Peter | Atkinson, Mr. Peter |
| Alexander, Danny | Bacon, Mr. Richard |
| Amess, Mr. David | Baker, Norman |

Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paisley, rh Rev. Ian
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

**Tellers for the Ayes:**
**Mr. Richard Benyon and Mr. Crispin Blunt**

## NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy

Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

**Tellers for the Noes:**
**Tony Cunningham and Mr. Frank Roy**

*Question accordingly negatived.*

*Question,* That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

*Resolved,*

That this House commends the real and substantial improvements achieved over the past decade in educational standards and welcomes the Government's commitment to a world class education for all; applauds the unprecedented investment in education over this period, so that per pupil revenue spending has increased nationally by £1,840 per pupil (66 per cent.) in real terms between 1997-98 and 2007-08 and that by 2010-11 there will have been a seven fold increase in real terms in capital investment since 1996-97; acknowledges the proportion of pupils achieving the required standard in English at age 11 increased from 63 per cent. in 1997 to 80 per cent. in 2007 and in maths from 62 per cent. to 77 per cent.; further acknowledges that the proportion of pupils achieving five good GCSEs (at A*-C grades) increased from 45.1 per cent. in 1997 to 58.5 per cent. in 2006 and from just 35.6 per cent. to 45.3 per cent. for those achieving five good GCSEs including English and maths; notes that in 1997 there were 616 schools where less than 25 per cent. of pupils achieved five good GCSEs and that this number fell to 47 in 2006; welcomes the proposal to raise the participation age for education or training to 18 years; further welcomes the launch of the first five Diplomas as a key step towards this objective; and further commends the 10 Year Youth Plan and the creation of the Department for Children, Schools and Families, bringing together strategic leadership for all services to drive up standards, tackle poverty and ensure all children and young people have a safe, secure and happy childhood.

## Home Information Packs and Stamp Duty

**Mr. Deputy Speaker (Sir Alan Haselhurst):** I must inform the House that Mr. Speaker has selected the amendment in the name of the Prime Minister.

4.16 pm

**Grant Shapps** (Welwyn Hatfield) (Con): I beg to move,

That this House notes the growing concern over the effect of Home Information Packs (HIPs) on a fragile housing market; observes that the Royal Institute of Chartered Surveyors has warned that the introduction of HIPs has already led to a downturn in the market for both four and three bedroom homes; recalls that the Government was warned against introducing HIPs from across the housing industry; is concerned that none of the revised secondary legislation for HIPs was scrutinised or debated by the House before its implementation; calls for Home Information Packs to be scrapped and Energy Performance Certificates to be implemented separately; and asserts that ending stamp duty for first time buyers up to £250,000 would do far more to help home buyers and sellers.

Were the country looking for a single policy that best encapsulates the Government's failure to listen, I suspect that home information packs would be in the running. In forcing through the legislation, Ministers have consistently ignored the advice of housing experts, the industry, the market, buyers, sellers and colleagues on both sides of the House and in the other place. Now that HIPs are partially implemented, the results are becoming all too clear, with an already fragile housing market shaken to the core by a dramatic drop in the number of new homes being put up for sale. While everyone agrees that home buying and selling really should be faster and easier, is it not time that the Minister admitted that the Government have forced on England and Wales a half-baked law that is clumsy, ineffective and damaging to the housing market?

Time and again, the Government watered down their flawed proposals, and HIPs quickly turned into nothing more than expensive but worthless red tape. Then, under pressure to rescue the policy, the Minister for Housing made home condition reports optional, thereby destroying the centrepiece of the legislation. Although the Government's website still says that home condition reports are

"an important part of the Pack",

does she accept that, for all intents and purposes, they have been shelved and forgotten?

On that point, can the Minister tell us what proportion of home information packs are being ordered with the optional home condition reports included? To add to the incompetent nature of the legislation, the HIPs small print says that

"including information on flooding, subsidence and contaminated land is all at the discretion of the seller".

Can the Minister tell us how many sellers with homes known to be at flood risk have voluntarily paid this extra money to point that out to buyers?

The net result of the muddle, confusion and incompetence is that buyers simply cannot trust HIPs. All the usual valuations, searches and surveys are mostly still required by the banks, building societies and solicitors. Costs are up and effectiveness is down.

It is not just me or the Conservative party who are saying this; the industry agrees. When the Consumers

*[Grant Shapps]*

Association was in favour of the original HIP proposals, the Government warmly welcomed that and quoted it regularly. Does the Minister now agree with the Consumers Association's more recent conclusions that the new "half-HIP" is a

"useless but a very expensive waste of time"?

As the start date approached, we warned the Government that there were not enough HIP inspectors, but they were not listening. Blinkered to the truth, they tried to push stubbornly ahead with HIPs, only to be forced red-faced back to the House at the eleventh hour to announce an embarrassing delay. Fortunately for the Housing Minister, that job did not fall to her. In August, HIPs on four-bedroomed homes were finally introduced. Despite a 50 per cent. drop in the number of four-beds coming on to the market, the Government still failed to assess the impact, instead choosing to impose HIPs on three-bed homes from September.

However, with all that confusion, delay and lack of marketable properties, another group of people was starting to hurt. We warned the Minister that she was wrong to suggest that qualified HIP inspectors could earn up to £70,000 a year by training to become a HIP inspector or domestic energy assessor. In reality, those hard-working people have been hung out to dry by the Government. Many of them have spent their savings on a fundamentally flawed scheme, and they, I think, deserve an apology. Will the Minister take this opportunity to apologise to those enterprising people who now find themselves without sufficient work and out of pocket?

**Andrew Miller** (Ellesmere Port and Neston) (Lab): Are these the same hard-working people that the motion wants to put out of work? Has the hon. Gentleman had any face-to-face discussions with home energy certificate providers and pack providers? The largest company in my constituency to deal with those matters, employing 500 people, tells me that that is not happening. The motion has come out of thin air.

**Grant Shapps:** I shall come on to what the rest of the industry is finding out about the situation. If the hon. Gentleman is seriously suggesting that we should maintain bad law for the sake of bad law, I have to disagree with him. This Government have led those people into training for jobs that do not exist. According to the Royal Institution of Chartered Surveyors, they would never be paid £70,000 a year even if HIPs were fully up and running, which they are not.

**Mr. Ian Liddell-Grainger** (Bridgwater) (Con): My hon. Friend will know that when the scheme started we warned the Government that there was no way in which there would be enough providers. The training systems were not up to training them. The Government knew that at the time. Does he agree that they have misled the country and should apologise to the House and the nation?

**Grant Shapps:** My hon. Friend is right when he says that the scheme has been a fiasco from beginning to end. It is an exemplary example of a Government who have refused to listen to common sense. It is not just us whom they have not listened to; they have not listened to the industry or the consumers, all of whom are lined up against this atrocious piece of legislation, which does not help anybody to buy or sell a house.

**Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): Will the hon. Gentleman give way?

**Grant Shapps:** I want to make a little progress.

By contrast, we have always been crystal clear about our opposition to HIPs. We saw what was wrong with them. We voted against them. Last week, we pledged to scrap them.

**Ms Celia Barlow** (Hove) (Lab): Will the hon. Gentleman give way?

**Grant Shapps:** I want to make some progress.

Where the Government have thrown the market into complete and utter turmoil, we have sent a clear signal that would end this bureaucratic nightmare of HIPs. As they have become increasingly discredited, the embarrassed Minister has tried to use energy performance certificates as a green fig leaf with which to cover up her embarrassment.

We think that EPCs can be introduced more quickly and effectively without HIPs. Will the Minister explain why our approach was possible in Northern Ireland but not in England and Wales? On their own, energy performance certificates are a good thing. They mean that house buyers will have better information about their new homes. However, even the Government's Better Regulation Commission warned that the new regulations are imposing

"additional administrative burdens without adequate justification"

and go

"beyond the requirements of the Directive",

with

"no supporting evidence to justify this 'gold-plating'."

Does the Minister accept that damning indictment of her policy by the Government's own commission?

We said that HIPS could increase the cost of moving home, that sellers would be put off, that housing supply would be restricted and that instability could rattle the marketplace. The letters and e-mails that I have received since the introduction of HIPS suggest that our concern was not misplaced, with agents reporting a shortage of three and four-bedroom houses coming on to the market. A survey conducted by the Royal Institution of Chartered Surveyors last month revealed that 73 per cent. of respondents had recorded that fewer three and four-bedroom properties were becoming available than in the same month last year, and that new instructions requiring a HIP had decreased by 37 per cent. In the face of that compelling new evidence, will the Minister now concede that the introduction of HIPS has had a deeply detrimental impact on the housing market?

**Mr. Nick Raynsford** (Greenwich and Woolwich) (Lab): The hon. Gentleman will, I hope, have done his homework, and will have seen the August bulletin of the RICS, to which he referred. It commented that new instructions to sell property had fallen for the third

consecutive month. Will the hon. Gentleman now explain what was happening in June and July in relation to HIPS?

**Grant Shapps:** The hon. Gentleman will—I hope—be pleased to learn that I have done my research. I did not hear him mention that he has an interest in the Association of Home Information Pack Providers.

**Mr. Raynsford:** On a point of order, Mr. Deputy Speaker. I should make it clear that my interest is declared in the Register of Members' Interests. I always declare my interest at the beginning of a substantive speech, but do you agree that it is not necessary to declare an interest when asking a question?

**Mr. Deputy Speaker:** I am perfectly happy with the explanation given by the right hon. Gentleman, but I think that there is nothing to stop a Member from making a debating point about the matter—without, I hope, making an insinuation of dishonour on the part of the right hon. Gentleman.

**Grant Shapps:** Thank you, Mr. Deputy Speaker.

I am sure that the Minister will try to characterise this as a problem only for those with a vested interest, but it is not. The truth is that the public are worried. London and Country, the United Kingdom's largest mortgage broker, recently asked a panel of its own customers for their thoughts on HIPS, which revealed that 62 per cent. thought that the information contained in them would not help to sell their properties. Even more damning, 78 per cent. thought that HIPS were bad value for money.

The cost of obtaining information that does not come with the now weakened HIPS may not be quite as significant for those privileged couples who, through generous taxpayers' allowances, can buy a second home in, say, central London, but first-time buyers struggle to pay for their surveys, and every penny really does count to them. Does the Minister agree that, unlike this expensive red tape, our policy of raising stamp duty to £250,000 would make a real difference to nine out of 10 first-time buyers?

HIPS is the story of a Government who have been in office for 10 years but are fast running out of steam. It is a fiasco that started when the Government employed consultants whom the National Audit Office later described as having a "clear conflict of interests". As compelling evidence mounted that the original HIPS proposals were seriously flawed, all that the Minister could do was shut her eyes and charge ahead with legislation that stumbled from crisis to crisis.

**Rob Marris** (Wolverhampton, South-West) (Lab): The hon. Gentleman mentioned stamp duty. He wishes to assist first-time buyers; so do the Government, and they have. Cutting stamp duty will be of no benefit to first-time buyers, because house prices will simply adjust upwards. Conversely, HIPs shift costs from buyers to sellers. Does the hon. Gentleman not see a contradiction in his position?

**Grant Shapps:** I do not see a contradiction in a position that makes it easier for nine out of 10 first-time buyers to purchase a house and removes bureaucracy from the home buying and selling process. There is simply no contradiction in that.

**Dr. Starkey:** May I take the hon. Gentleman back to the point I attempted to make in my earlier intervention when he was mentioning the "industry"? For the sake of clarity, will he explain whether the "industry" is solely the Royal Institution of Chartered Surveyors, which has a strong vested interest? If not, what other representatives of the "industry" is he citing?

**Grant Shapps:** The hon. Lady will correct me if I am wrong, but I understand that the RICS also supplies HIPs, so it has a strong vested interest in both directions. It has spoken in a truthful manner, as has almost every other professional body that has been consulted on the issue. In fact, we have now reached the stage where the Association of Home Information Pack Providers is pretty much the only organisation supporting this flawed measure.

The last time I stood at the Dispatch Box, I asked the Minister for Housing 11 questions. Reading from a prepared text, she failed to answer a single one of them. Today I have asked the Minister a further 10 questions, and I am sure that Members would like to hear her answers to them, plus those to three more questions that I have for her.

Will the Minister guarantee today that information gathered for HIPs will not be used for stealth council tax revaluation? Is the Minister aware of a leaked memo from her own West Yorkshire Trading Standards Service that confirms that HIPs are completely unenforceable throughout large parts of the country, including her backyard? Finally, as the statutory instrument introducing HIPs has yet to be laid before Parliament, will she accept my invitation to follow the lead of the Prime Minister and Chancellor of poaching yet another of my party's policies by announcing to the House that she will today abolish the costly, ineffective and discredited HIPs?

4.32 pm

**The Minister for Housing (Yvette Cooper):** I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

'believes that the ongoing reform of the home buying and selling process should revolve around the interests of the consumer and environmental sustainability; considers that the most important thing for the housing market is macroeconomic stability including sound public finances; therefore further believes that unfunded tax cuts including on stamp duty would be irresponsible; further believes that increased house building to deliver more affordable homes is essential to help first time buyers; further considers that the introduction of Home Information Packs and Energy Performance Certificates can improve the process of home buying and selling for consumers and provide them with vital information about the energy efficiency of homes and practical suggestions about how to cut fuel bills and reduce carbon emissions; and notes that the Government continues to work with industry to consider further reform of the home buying and selling process in order to maximise the benefits for consumers.'.

I welcome the hon. Member for Welwyn Hatfield (Grant Shapps) to what I believe is his first Opposition day debate. I also believe that he has just made his first parliamentary remarks on home information packs. I noticed that he and his party chose not to take up any of the opportunities to debate HIPs in July—in one of their Opposition day debates or by seeking an early

*[Yvette Cooper]*

date for Committee consideration of the regulations. Neither did he take up the opportunity to ask about HIPs or raise stamp duty during the first oral questions after his appointment. In fact, he did not raise housing at the first oral questions because he was not present; apparently, he was in a place called Ealing at the time. I am sure that he has fond memories of his important role in the Ealing campaign—I can certainly tell him that we do, and that we are always very happy to remind him of the role he played.

The hon. Gentleman raised a series of points about HIPs and stability in the housing market. Although stamp duty is mentioned in his motion, he refrained from mentioning it, except when my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) referred to it.

Home information packs and energy performance certificates are now in place for three and four-bedroom properties. The Government set out a phased roll-out last May, which is now under way; more than 1,000 energy performance certificates have now been processed. I should point out that many of the calamities that Opposition Members predicted have not materialised. HIPs are not creating months of delay; in fact, the average time taken to compile a HIP is five to seven days, far faster than it takes to gather the same information under the old system.

**Mr. Robert Syms** (Poole) (Con): The Minister spoke of a phased roll-out. Will she give us the date on which properties with one or two bedrooms, or other properties, will be covered by the regulations? If the policy is to be pursued, logic demands that a timetable be set.

**Yvette Cooper:** No, I shall not set out the timetable today. In May, we set out the criteria for the phased roll-out. One element in those criteria was the number of energy assessors—which has been increasing very quickly—and another was that the policy's implementation, and the experience in the market so far, should be monitored. That consideration is taking place at the moment, and we will set out the timetable for the next steps in due course.

I can also tell the House that, contrary to predictions by the Opposition, HIPs are not costing an average of £1,000 each. The current average market price is £300 to £350, most of which covers the cost of things that buyers and sellers of homes pay for under the traditional system. That means that they are saving money thanks to the introduction of HIPs.

Moreover, some estate agents are offering HIPs on a no-sale, no-fee basis, or even for free. Indeed, search costs are coming down as a result of HIPs, with more than 80 local authorities cutting the price by an average of £30, and a couple doing so by more than £100. In addition, the Energy Savings Trust has said that the new energy performance certificates have the potential to save homeowners £300 a year on fuel bills.

**Mr. David Jones** (Clwyd, West) (Con): I thank the Minister for giving way, and I refer to my declaration in the Register of Members' Interests. Does she agree that most local searches for HIPs are personal searches that are not widely acceptable to the industry? For most purchasers, it is necessary to make a second, official search. Does that not add to the cost to the process?

**Yvette Cooper:** That is simply not the case. In fact, personal searches already account for about 40 per cent. of the market. They are a very important, significant and established part of the process: a lot of solicitors already use them, and lenders are familiar with them. It is not the case that all buyers are having to purchase additional searches as a result of the introduction of HIPs, which can include either personal or local authority searches.

It is significant that the introduction of HIPs has improved competition and cut the cost of searches. I believe that searches need to be reformed further, but it is important to recognise that personal searches are covered by all sorts of insurance and protections, and to ensure that what is effectively misinformation about them is not spread around.

HIPs and EPCs are already increasing transparency. They are speeding up the process of providing information, and bringing in new competition to help cut costs for consumers.

**James Duddridge** (Rochford and Southend, East) (Con): The Minister was kind enough to write to me about EPCs in July, when she explained that the certificate would have to be compiled in the 12 months before a property was put on the market but that that requirement was to be reviewed over the summer. Will she update the House about that review?

**Yvette Cooper:** We will be consulting fully on the appropriate age for EPCs. We have made it clear that it is important for people to have information that is relevant and up to date, and we will shortly make it possible for people to express their different views. For example, Opposition Members believe that the certificates should have a life of up to 10 years, although I cannot imagine that many people making a decision about buying a house would find such old information especially useful, given that it deals with fuel prices and the measures that they could take to change their homes.

**Mr. Robert Goodwill** (Scarborough and Whitby) (Con): Does the Minister agree that most householders already have very useful documentation that could be made available to buyers? I am referring to gas and electricity bills, which people are used to reading and understanding.

**Yvette Cooper:** That is true but, if that is Opposition policy, it does not say much for their commitment to the environment. Consumers need to be aware of what more they can do to cut their carbon emissions as well as their fuel bills. After all, 27 per cent. of this country's carbon emissions come from our homes, and a lot of it comes from existing homes.

It is important that people have up-to-date information. Shops such as Comet or Currys make sure that their fridges carry energy efficiency ratings. The introduction of those ratings means that it is hard to find a fridge or washing machine that is not A rated. Those certificates have been important, as they have

provided people in the market with information and an opportunity to make decisions accordingly. Given the serious climate change challenges we face, it is right that we provide people with such information. It is deeply unfortunate that Conservative Members are so opposed to the measures and have tried to water down energy performance certificates, which is why organisations such as the World Wide Fund for Nature and Friends of the Earth have been so critical of their approach.

**Miss Julie Kirkbride** (Bromsgrove) (Con): Will the right hon. Lady answer the point made by my hon. Friend the Member for Welwyn Hatfield (Grant Shapps)? Why have the Government done things differently in Northern Ireland?

**Yvette Cooper:** The hon. Lady may be aware that a different approach is being taken not only in Northern Ireland but also in Scotland. It is right that we provide people with proper energy performance information that they can use to cut their carbon emissions and to reduce their fuel bills. They can also use the information to get access to grants and additional help—to install loft lagging or cavity wall insulation. When we look at houses, not many of us think about whether there is cavity wall insulation. For the first time, the certificates will provide people with that important information.

It is unfair that people are denied such information, which is why we support its provision, and it is deeply disappointing that Conservative Members are so hostile to it—*[Interruption.]* They have been hostile; they have tried to water down energy performance certificates. Indeed, the party chair did not want the certificates to be introduced at all because she is opposed to energy assessors visiting homes to carry out the work.

The hon. Member for Welwyn Hatfield suggested that an easier way to do the work would be to ask Centrica to provide energy performance certificates. I have to inform him that Centrica is already putting energy performance certificates into the market because it believes that they are a good thing.

**Mr. John Redwood** (Wokingham) (Con) *rose—*

**Yvette Cooper:** I give way to a huge champion of measures to tackle the environment.

**Mr. Redwood:** How right the Minister is, but I like effective measures, not imposed measures of questionable value. We do not like the element of compulsion. If energy certificates were valuable, people would buy them.

As the Minister says that she wants more affordable housing, will she tell us how far house prices will have to fall before she thinks houses will be affordable?

**Yvette Cooper:** I shall be happy to have a discussion with the right hon. Gentleman about affordable housing. I intend to say more about it shortly. The problem with house prices over the past 30 years is that they have risen so much faster than earnings, as a result of the lack of house building or insufficient house building. Even the houses that have been built were strongly opposed by the Conservative party and by Conservative MPs across the country.

I want to complete my remarks about energy performance certificates, as they are important. The hon. Member for Welwyn Hatfield revealed the view of the Conservative party: the Conservatives do not believe in energy performance certificates, do not want them introduced and lack commitment to them. The hon. Gentleman told the Conservative conference that he wanted to abolish home information packs. He did not say that he wanted to retain energy certificates. He was challenged by *Building* magazine, which reported:

> "The shadow minister told Building Magazine he had intended to mention energy certificates but had not thought it necessary."

That reveals the Conservatives' approach. They are not interested in action on the environment or in the energy performance certificates that are making a huge difference by giving people throughout the country proper information.

**Grant Shapps:** I hope the Minister will accept that as EU law is not optional energy certificates have to be part of it. We are simply arguing that the process is much less bureaucratic in Northern Ireland and she still has not answered the fundamental question why the same thing cannot happen in England.

**Yvette Cooper:** In other words, the hon. Gentleman grudgingly accepts energy performance certificates because he believes that he is being forced to do so by Europe. That is his approach. We think we are right to put energy performance certificates in place. They have been implemented earlier than in many other European countries because of the decisions we have taken.

Members have also made points about the impact of the measures on the housing market and about stability in the housing market, which is an important issue. However, they are wrong to say that everything that has been happening in the housing market is the result of HIPs—although we understand why they are doing so. As my right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) has already pointed out, the housing market was quiet in many areas even before HIPs were introduced. Things were quiet throughout the market, even for one or two-bedroom properties.

Stability in the housing market is important, and the Government have to do what they can, through their areas of responsibility, to support it. That means doing what they can to support low mortgage rates through good macro-economic management and sound public finances. The measures in the motion tabled by the hon. Member for Welwyn Hatfield would put that at risk. We know, of course, how the Conservatives screwed up in the past: mortgage rates hit 15 per cent. and remained at over 10 per cent. for many months at a time. As a result, 75,000 people lost their homes in one year alone. Part of the mismanagement that contributed to the recession was down to the Conservative Government's complete lack of control over the public finances.

I repeat that the approach that the hon. Gentleman and other Opposition Members take to stamp duty is to set out a completely unfunded proposal, and that is part of creating a huge black hole in the public

*[Yvette Cooper]*

finances, which is irresponsible. There are unfunded proposals on inheritance tax and on tax cuts for the married, and the sums do not stack up. It does actually matter that Opposition Members' sums do not stack up. It matters to real people—to mortgage holders and homeowners. If the public finances do not stack up, and if one blows a hole in the public finances, interest rates and mortgage rates go up. It is not a game; it actually affects people in the real world. Serious parties that are interested in government have to take such matters into account. That is why the hon. Gentleman's approach is so irresponsible.

Opposition Members chose the subject for debate. They talked about home information packs, and only marginally about stamp duty, because their views on HIPs are all that they have as housing policy. They are not prepared to face up to the serious decisions that have to be taken to promote housing market stability and help first-time buyers.

**Mrs. Claire Curtis-Thomas** (Crosby) (Lab): Will my right hon. Friend confirm that her Department has invested a substantial amount of money in research on producing eco-friendly housing, and housing that is a net negative user of electricity, and which can indeed even export it? One of the reasons we need energy performance certificates is so that we can start with existing housing stock and produce a far better environmental and carbon footprint. A consequence of that is investment in research and businesses that are interested in the environment.

**Yvette Cooper:** My hon. Friend is right, and there is a lot that we can do with new and existing homes to help to cut the carbon emissions from housing. It is right to do so, and irresponsible not to, given the carbon emissions that come from housing.

We must recognise that if our aim is to promote stability in the housing market, and to help first-time buyers, that means building more homes in the long term. We understand that the hon. Member for Welwyn Hatfield always feels a bit traumatised when we speak about building more homes. We have teased him before in the House about his local "No way to 10K" campaign. Let me remind the House what his local website said on the day he was appointed Conservative housing spokesperson:

"We believe you cannot build your way out of a housing crisis."

A week later, he changed it, so that it said

"whilst building more properties is obviously vital".

The hon. Gentleman was asked by *Inside Housing* to explain his views and particularly to say whether his local "No way to 10K" housing campaign made him a nimby. He answered:

"No way 10k is not actually about 10,000 houses: it just happened to rhyme".

We thought it was bad policy, but it is just bad poetry.

Opposition Members are campaigning in every corner of the country against increased housing. I do not criticise Tory MPs who oppose individual developments, because we all know that there are atrocious developments that should be blocked at local level, but the hon. Member for Welwyn Hatfield knows that Conservative MPs across the country oppose increased housing.

**Grant Shapps** *rose—*

**Yvette Cooper:** I shall let the hon. Gentleman intervene if he will join me in condemning, for example, the hon. Member for Wantage (Mr. Vaizey), who summed this up when he was asked on BBC radio whether he supported more homes in his constituency and he said:

"I'm not opposed to new homes per se, I just think they should be built in Andrew Smith's constituency."

**Grant Shapps:** I am grateful to the Minister for citing a popular local campaign in my constituency; we are willing to build 6,000 houses, but 10,000 is too many. Incidentally, the campaign is supported by the entire local Labour party. Will the Minister comment on the behaviour of six of her Cabinet colleagues who are opposing development in their constituencies?

**Yvette Cooper:** The hon. Gentleman was clearly not listening, because I said just 30 seconds ago that I do not criticise Tory MPs who oppose individual developments, as they might well be atrocious and inappropriate. However, I do criticise Conservative MPs who oppose overall increases in housing because they think that there should be fewer homes in their constituencies and across the country. They are not supporting the additional homes that the country needs—*[Interruption.]* The Labour party supports having 3 million more homes by 2020 and I challenge the Conservatives to do the same—*[Interruption.]*

**Mr. Deputy Speaker:** Order. I think that the sedentary chorus from the Opposition Front Bench is becoming a little intrusive.

**Yvette Cooper:** Thank you, Mr. Deputy Speaker. I challenge Conservative Members to support the increased housing that we need in Britain. They should support having 3 million more homes by 2020 and the fact that 1 million of those must be zero carbon. They should join us in signing up to support the additional housing that first-time buyers and people on council lists need. We need those homes. No matter what else the hon. Gentleman says, as long as they oppose the increases in housing that we badly need, they are betraying first-time buyers and people on council waiting lists, and their housing policy is a sham. He should forget the policy and stick to the poetry.

4.52 pm

**Paul Holmes** (Chesterfield) (LD): It has long been clear that the introduction of home information packs was a shambles. That argument has been rehearsed many times, not only today, but back in the summer in this House and in the other place, and many times before. I shall not go into all the details again because we all know them.

Suffice it to say, the introduction of HIPs is emblematic of this Labour Government and of a lack of transparency. Where are the reports that they carried out on the pilot studies before the introduction

of HIPs? Why have they still not been shared with us and with the public? It is also emblematic of sheer incompetence. The introduction of this bungled scheme has cost the taxpayer about £20 million to date, and since the summer of 2006 we have seen three sets of regulations, a legal challenge from the professionals and the scrapping of the compulsory home condition reports.

So much about HIPs remains clouded. When will the Minister release the results of those pilot tests? Why has there been such a delay? Since the legislation came into force, how long has it taken to put the packs together and how does that compare with the four to five days envisaged by the Government? The Minister said that the answer is seven to eight days. The scheme has been running for nine weeks, so for how many of those weeks and on how big a sample is that figure based? How much have the packs cost in reality, and how does that compare with the £400 average predicted by the Government? The Minister suggested that the answer is £300 to £350 on average so far, but on how many weeks and on how big a sample is that based? Given that this legislation has been so controversial, surely she should share this information and research with the House, so that we can reach an informed decision on HIPs and their future.

The motion concentrates not so much on HIPs but on their effect on a fragile housing market. It seems to ignore the fact that a struggling housing market is the result of many other factors, including the lack of social housing to rent, which puts a huge upward pressure on house prices; the moratorium on council house building over the past 10 to 13 years; the lack of affordable housing, which also forces up house prices; the housing investment frenzy, whereby housing is increasingly seen as a speculative investment rather than as a home; the effect of, and crisis arising from, cheaper money generally; and the effect of the sub-prime market. When that hit the US, we were told that it would not be a problem in this country, yet a week later the Northern Rock disaster happened. How much more of that is still to feed through into the housing market?

The Conservative motion does not mention any of that, and it seems to blame a fragile housing market on HIPs. It provides an answer by suggesting the scrapping of stamp duty for first-time buyers on houses up to £250,000. One obvious question is how to define a first-time buyer. If, for example, a divorced couple buy a house separately later, is either of them a first-time buyer? Is one of them a first-time buyer? If separated partners go on to buy a house with a new partner, and the new partner has never bought a house before, are the new couple first-time buyers or not?

**James Duddridge:** Would it not be possible to establish whether those people's names were on a mortgage paper or on deeds? If not, they would be first-time buyers.

**Paul Holmes:** That ignores the point that I just made. If a married couple or a couple living together separate and sell their house, and if one of those partners goes on to buy a house with another partner who has never bought a house before, does the new couple with a joint mortgage count as a new buyer or not? There are dozens of other examples that would confuse the system and create a bureaucratic nightmare.

**Dr. Starkey:** May I add a couple of other examples that are not dealt with by the helpful intervention from the hon. Member for Rochford and Southend, East (James Duddridge)? First, an individual who was extraordinarily rich and had bought a house cash in hand would not have a mortgage but would be able to masquerade as a first-time buyer. Secondly, what if someone got their child to buy a house, which they then bought from them? They would not really be a first-time buyer. The scope for defrauding the system is enormous.

**Paul Holmes:** I agree. Many other examples could be cited to show the confusion that would arise from trying to define a first-time buyer under the scheme.

Does the hon. Member for Welwyn Hatfield (Grant Shapps) think that abolishing stamp duty would, for example, help a 24-year-old earning £20,000 to buy a home in London or many other urban areas? How would the proposal help young families? It is irrelevant for many first-time buyers.

More alarming is what was not in the motion. How would the Conservatives provide for the long-term affordability of housing, as the motion does not deal with that? Would they build genuinely affordable homes, and how would they end the emasculation of council housing? The hon. Gentleman's speech was full of buzz words and aspiration, but answers were absent.

The stamp duty announcement had more than a hint of Blairite spin. It was a good headline-grabbing initiative but will it do any good? Even if we leave aside the questionable economics, there are innumerable problems. For example, a Halifax survey in December 2006 stated that the average salary necessary to afford a house was just under £30,000 a year, so there is a genuine affordable homes crisis. Teachers, nurses and postmen, to name a few, all earn less than that. How will a token measure on stamp duty help those people and help the market as a whole?

Moving on to the questionable economics, perhaps the hon. Gentleman did not read *The Daily Telegraph* on Monday, in which three economists all discredited the stamp duty proposal and stated that rather than helping home buyers, it would benefit sellers and increase house prices.

**Mr. Goodwill:** Does the hon. Gentleman agree that in the north of England, in places such as Scarborough and Chesterfield, the stamp duty proposal would help many people?

**Paul Holmes:** I fail to see how, in places such as Chesterfield and much of the midlands and the north, scrapping stamp duty would help many first-time buyers. Although the average first-time house buyer pays about £169,000, that is not remotely the position in my constituency or in many areas in the north and the midlands. I do not see how it would help there.

The proposal would not help the buyer, but it would help the seller. It is a simple matter of supply and demand. With more money across the board and a fixed amount of property, property prices increase. The stamp duty proposal would do little, if anything, to help first-time buyers. It would give more equity to existing owners. The announcement is far more likely to distort the housing market further and does nothing

*[Paul Holmes]*

to rectify the real problem with stamp duty: the slab system. At present, no stamp duty is paid on a house up to £125,000. On a house costing £125,001, stamp duty is due. Under the proposal, the buyer would pay nothing up to £250,000, but at £251,000 they would suddenly have to pay £7,500. Stamp duty should be applied incrementally. It should be low at the point at which first-time buyers cross the threshold, and it should increase up the scale to multi-million pound homes, so that it hits the people who can afford it.

Real aid to first-time buyers would not include a gimmick on stamp duty; it would include measures to tackle the issue of affordable housing. The Conservative announcement smacks of token measures on affordable housing. Perhaps I am being unfair—at least the Conservatives now recognise that there is a crisis in affordable housing—but the announcement was rushed out last week in expectation of a general election. The announcement was more a case of what was left out rather than what was put in—there was no mention of affordable homes, community land trusts or long-term affordability—and it did not include anything that would solve Britain's housing crisis.

I read the conference speech by the hon. Member for Welwyn Hatfield with great interest. One line stood out:

"And today I can tell you how."

I have read the speech three times, and I am still trying to work out how the Conservatives would solve the housing crisis and, in particular, the affordable housing crisis. They will not do so through that gimmick on stamp duty. The Prime Minister has discussed his vision; the hon. Member for Welwyn Hatfield has asked us to imagine what it is like to be a first-time buyer; next, the Leader of the Opposition will tell us that he has a dream. That is cosy consensus politics at its vacuous worst.

The problem cannot be solved by raising the stamp duty threshold. It requires bold action, and the solutions are not hard to find. Community land trusts have been used in America and across Scandinavia, and pilots have already worked in this country. They can provide genuinely affordable homes for a wide range of people. Rather than handing over, as the Government seem to suggest, large tracts of public land from, for example, the NHS and the Ministry of Defence to private developers to allow them to make the maximum profit from selling houses, the Government should hand over large chunks of land to community land trusts. The value in the land would be held by the community. and individuals would buy and sell the bricks and mortar. The price would therefore be affordable from day one, which is rarely the case under existing affordable housing schemes, and property would remain affordable after it was sold.

Shared equity is another tried-and-tested model that works. When the Liberal Democrats ran South Shropshire district council, for example, the council used equity mortgages to provide low-cost affordable housing for key workers and first-time buyers. The scheme worked brilliantly, but, unfortunately, the Conservatives abandoned it after they took over.

The HIPs scheme contained some good provisions. As has been rehearsed on many occasions, the scheme's introduction was botched, and the question is whether we can salvage what was good. Having initially opposed energy performance certificates, which we have discussed, even the Conservatives now recognise that they are a good feature.

The policy on the local authority search has many attractive features. How many times do people find an attractive house at a good price, only to drop out when they discover from the search that, for example, a bypass, sewage farm or industrial estate will be built next to it? In such cases, many people pay for searches, and the only people who gain are the solicitors and other companies who carry out the searches over and again. The inclusion of one search in the HIP is a great asset to the consumer, rather than people who make money out of conducting such searches. We should consider the interests of the consumer.

In the second week of August, I was hiking on Dartmoor when a national journalist rang me to comment on the fact that personal searches, which were increasingly common before HIPs were introduced, are now rejected by mortgage lenders when conducted as part of a HIP survey. People therefore had to arrange two surveys, whereas the HIPs scheme was supposed to involve only one. Is that just initial teething trouble that the Government have already solved, or is it an insurmountable problem that renders HIPs pointless? We need the evidence and research from the Government in order to take an evidence-based decision.

I first heard of home condition surveys back in 1997, when the new Labour Government floated the idea. My only declarable interest in housing is that I have purchased two houses in the past 20 years, and I know what a boon it would be to have one good survey that includes all the details on the condition of the house. How many times do people have a survey done but, for whatever reason, the purchase does not go ahead? In such a case, 10 different people might pay for a survey on one house. Why not include one survey in the HIP? The Government bottled out on that one and abandoned it very early in the process.

The Government amendment states that certificates "can improve" the house-buying process and promises that the Government will work with the industry—the same industry that launched legal proceedings against them not many months ago—to reform further the home-buying process. On 17 August, Royal Institution of Chartered Surveyors spokesman Jeremy Leaf stated:

"The government has no idea how this"—

that is, the introduction of HIPs—

"will affect the housing market...We find it hard to believe that the government is pressing ahead with this policy at such short notice without first conducting a proper market impact study."

The Government pressed ahead anyway, so now let us have the market impact study that RICS was calling for. Let the details of the pilot studies, which are still confidential, be released and let us have a proper evaluation of HIPs working in practice over this summer and into this autumn. Nine weeks is not long enough, especially during the summer holidays, when housing sales are always slight, and at a time when interest rates are at their highest since 2001 and the crisis at Northern Rock has knocked confidence in the housing market.

Along with the pilot results from the early studies, let us have a decent longitudinal study of how HIPs work in practice. On those grounds, we could support the Government in the vote tonight, but only if such a serious and open review of HIPs were undertaken in practice. If they are a disaster, according to a serious, evidence-based review, we should scrap them. If they are good, and we can rescue their good features from the botched introduction and strengthen them, let us do that. However, let us ground the decision in evidence-based policy, not knee-jerk, headline-seeking motions.

**Mr. Nick Hurd** (Ruislip-Northwood) (Con): Does the hon. Gentleman share my concern that the botched introduction of HIPs by the Government—and it has been a shambles—risks polluting the water of public attitudes towards the energy performance certificate? Would it not be simpler to go straight to that policy instrument and try to build consensus around it?

**Paul Holmes:** Even that is not a simple solution. We cannot simply scrap HIPs and go to EPCs; a whole series of procedural regulations and legislation would be needed to make the relevant adjustments. By the time we had done that, we could have had a proper review of the system and allowed it to bed in.

As I said, if the Government can promise that there will be a serious and open review of the first three or four months of operation, and if they can release the pilot studies, we will support their proposal. As it stands, the Conservative motion is simplistic nonsense in respect of HIPs. On stamp duty, it both misses the point and would have an adverse effect on prices—to the cost, not the aid, of first-time buyers. On those grounds, we cannot support it.

5.7 pm

**Mr. Nick Raynsford** (Greenwich and Woolwich) (Lab): I draw attention to my declaration in the Register of Members' Interests.

I agree with a great deal of what the hon. Member for Chesterfield (Paul Holmes) said, and I agree with him wholeheartedly about the need for sensible, clear and rational appraisal, rather than the over-the-top comments that we have heard from many people about the introduction of home information packs.

I want to go back to first principles and why HIPs were necessary. In the course of the debate about the implementation, which has been less than satisfactory, we are at risk of losing sight of the benefits of the project. Under the previous house-buying and selling process, buyers had to make an offer, in what in most cases would be the largest single transaction in their lives, with only rudimentary information about the product that they proposed to buy.

Self-evidently, that is a bizarre way of proceeding and no one would accept it as a rational way of buying any other commodity. The practice evolved over centuries, but that does not make it any better. As a result of the lack of adequate information, buyers had to undertake searches and commission surveys to obtain more information about the property that they intended to buy before the contract became unconditional. Inevitably, that made the process long and cumbersome and increased the scope for failures or problems in the transaction—either because the potential buyer found in the survey and search information unwelcome items of news that suggested the need to renegotiate the purchase price, or because the vendor had chosen to sell to someone else in the meantime. The practice of gazumping has been a scourge in the housing market at times. All these inefficiencies existed, and under the old system approximately £1 million a day was lost by members of the public in abortive costs as a result of inefficiencies in the market. It is shocking that members of the public lost £1 million a day because of unnecessary and abortive costs. The whole purpose of introducing reform to the system was to try to eliminate those inefficiencies and create efficiency savings that would not just save consumers' money, but speed up some of the slower, more tortuous elements of the process of buying and selling houses, while adding transparency and taking some of the heartbreak and stress out of it. It can be a very stressful process for many people.

In 1997, that was the background to the study, to which the hon. Member for Chesterfield referred, that was made very early in the lifetime in the present Government. It was commissioned to look at the whole process and recommend ways forward. It was inclusive, it involved all the relevant professional bodies, and it was published in December 1998—a year later than the hon. Gentleman said, but he was pretty near. It concluded that there was a strong case for making essential information about the property available upfront, including necessary survey and valuation information. That concept was then trialled in Bristol in 1999-2000, so this policy was not rushed in without thought or trials. The pilot in Bristol demonstrated a high level of satisfaction with HIPs among the people who had experienced them.

**James Duddridge:** Does the right hon. Gentleman recognise that those packs were provided for free, rather than costing up to £1,000? If something were provided to me for free, I imagine I would be greatly satisfied; that would not necessarily be the case if there were a much higher cost.

**Mr. Raynsford:** Of course the packs were provided free as part of the pilot, but the purpose of the pilot was to look at the process, to see whether or not it achieved benefits. I have to say to the hon. Gentleman that one of the problems in all of this is that people have bandied estimates of the cost of HIPs, particularly the house condition report, with very little understanding of what the process would involve if the scheme were introduced on a mandatory basis and there were considerable competition in the market to secure custom.

I do not think that the introduction of the current system was satisfactory—I have made that clear in speeches in the past, and I shall do so later. However, even now, a number of providers are offering either to provide the home information pack for free, or deferring the charge until the sale is completed, which removes completely the fear of cost that was used, I am afraid to say, by the Opposition among others to scaremonger. There are other elements, to which I shall return later, that provide scope for reducing costs to the

*[Mr. Raynsford]*

public, and the public interest has been lost in much of the hysterical comment made about the scheme.

**Dr. Starkey:** Is my right hon. Friend aware of cases in my constituency in which estate agents have been very innovative? One month, they told customers that if they sold a house with them during that month, they would not have to pay for a HIP, as a teaser to encourage them. The very next month, those estate agents enticed customers with the promise of a free HIP. Does that not say more about the entrepreneurial nature of estate agents, than it does about their having a settled view about HIPs one way or the other?

**Mr. Raynsford:** My hon. Friend makes a very good point, and she reminds me that one of the commentators on the pilot in Bristol to which I referred was the then chairman of the National Association of Estate Agents, Mr. Hugh Dunsmore-Hardy, who was extremely supportive of the scheme. Not all of his members were supportive—some of them opposed the scheme—but he was the chairman of the association and he was very supportive, as were most professionals. The Royal Institution of Chartered Surveyors was extremely supportive at the time. When the Bill to introduce HIPs was laid before Parliament, the institution said:

"RICS has consistently supported the concept of Home Information Packs."

That was the climate at the time.

**Mr. Liddell-Grainger:** I remember debating the matter with the right hon. Gentleman at the time in this Chamber. One of the problems was that it became more and more complicated, and less and less understandable, so more and more people became suspicious. The right hon. Gentleman is right about opinion at that time, but subsequently all those bodies, including mortgage lenders, solicitors and everyone else, said, "No, we think it is a bad idea."

**Mr. Raynsford:** I am afraid that the hon. Gentleman's memory is a little unclear. Matters did not get more complicated, they were simply delayed—that was the problem. Some bodies were unsympathetic from the outset. For example, the mortgage lenders were ambivalent from the start, but they have a vested interest. Their members charge every mortgage applicant a significant fee for commissioning a survey. That part of the system increases costs for the public. Under the proposed new system, there was scope for automated valuations, which would have dramatically reduced the cost to the public but undermined the interests of lenders.

**Andrew Stunell** (Hazel Grove) (LD): The right hon. Gentleman said that the public were losing £1 million a day. Would it help his case if he explained to whom the £1 million a day was being paid?

**Mr. Raynsford:** The hon. Gentleman makes a good point. The money was being paid essentially to the professionals—the surveyors, lawyers and mortgage lenders—who have a considerable financial interest in the matter.

In the early days of the scheme, professionals in general, albeit not all of them, were supportive. As delays occurred, the group that opposed the scheme gained confidence and became more raucous, and the climate of opinion changed. That was unfortunate and I believe that it happened because of delay. The Bill that was due to effect the HIP proposal after the Bristol pilot was introduced in December 2000 failed to complete its passage before the 2001 general election and therefore fell. It was not reintroduced until 2004, and that long delay allowed momentum to be lost. The seeds of the problem were sown.

The Government made the regrettable decision in the summer of 2006 to drop the home condition reports on grounds that I do not believe to be sound. That added further uncertainty and created a position whereby we are now considering a scheme that does not have all the benefits that the original prospectus offered. However, I believe that it can evolve into a workable scheme that will benefit the public.

It is important at this stage to take stock, consider the current position rationally and try to prepare a proper, cool analysis and sensible recommendations for making progress rather than scaremongering or hysterically crying for extreme solutions. Scrapping HIPs, which the Opposition pledged to do, is not the right way forward. It would do nothing to tackle the problems that I have described—the inefficiencies and delays in the existing system. It would simply give comfort to those who do well out of those inefficiencies, but it would not help the public. Indeed, it would be a betrayal. It would also threaten the livelihoods of the many people who have trained to carry out inspections and energy performance certificate work, on whose behalf the Opposition shed some crocodile tears. Perhaps they would like to listen to one such person, who wrote to me a few months ago. He said:

"I write to you as a recently qualified and certified Home Inspector. I did what Parliament asked me to and qualified and certified before 1st June 2007. I will not forgive the opposition parties for opposing this, nor will the 1,000s of people who have paid £1,000s to be trained."

The Opposition should remember that their irresponsible scaremongering, criticisms and attacks contributed to the problem that those people who trained have experienced in losing the prospect of jobs that they should have had.

**Mr. Liddell-Grainger:** The right hon. Gentleman's memory is as hazy as mine. I seem to remember his saying that there would be £70,000, that everybody would be looked after, that training grants would be available and that the Government would support the scheme. None of that happened. The right hon. Gentleman misrepresents what happened with the public at large.

**Mr. Raynsford:** A process of training took place in which many people, including the one to whom I referred, enrolled and for which they paid good money. With proper implementation, they could have benefited from that training in full. As it is, they are benefiting from the introduction of the limited scheme and the work on energy performance certificates. Some of them are working on home condition reports, but the scale is not what was originally anticipated and hoped. It is the

Opposition who are responsible for that, because it was they who called for the scrapping of the scheme, not this side of the House.

Another thing that is not required is scaremongering about the impact of HIPs, in which the Opposition have also indulged. Claiming that HIPs have single-handedly led to a decline in the market is economic nonsense. As I pointed out in an earlier intervention, the Royal Institution of Chartered Surveyors has published a survey showing that new instructions to sell property fell in August for the third consecutive month. Most people who were against HIPs said that there would be a rush to get properties on to the market before their introduction as people would not have to pay for one, and a decline when they were introduced. According to that analysis, there should have been booms in June and July and a fall-away in August. Not a bit of it: the fall began in June and it continued in July and August. There is not a shred of evidence to support the scaremongering from the Opposition.

I regret the Opposition's economic illiteracy. If they did a little more homework and looked at the detailed analysis, they would see that the pattern varied regionally. It was not a uniform pattern; in fact, the RICS said that in August there had been "marginal increases" in instructions in London and Yorkshire and Humberside. Why were there increases in instructions in London and Yorkshire and Humberside following the introduction of HIPs? There was a uniform national introduction of HIPs. Why was there regional variation if HIPs were the entire reason for those decreases? Once again, there is clear evidence that the Opposition's case is completely unfounded and fanciful.

What is required is calm rational analysis and support for ways to progress the implementation of HIPs until they deliver the benefits that they have the potential to deliver. That requires ensuring that we get as much information up front to buyers at the start of the process. That has already begun, but there is a long way to go. We must also realise the benefits for first-time buyers, who are the sole gainers from HIPs. HIPs have no downsides for them whatever. First-time buyers do not have to incur any costs at all in commissioning a HIP, but they receive the benefit. At a time when we are concerned about the interests of first-time buyers, that should surely be a pertinent consideration.

We also need to continue to apply downward pressure on the time and the cost of various elements in the process. I am thinking particularly of searches, in which too many slow and inefficient processes are still involved, and valuations, where I have referred to the unreasonable demands imposed on potential buyers because of the requirement that they should pay for an expensive survey and valuation, when in practice an automated valuation could in most cases give the information much more cheaply and quickly.

So far I have not mentioned energy performance certificates, which are hugely important, because we all recognise that climate change is the biggest challenge that our society faces. However good we are at improving the energy performance of new properties, the poor energy performance of many existing homes is a fundamental problem. That is why it is essential that house buyers purchasing an existing property are given accurate information at the outset about the energy efficiency of that home and about what cost-effective measures they can take to improve it. They can thereby see, for example, that there is a relatively short pay-back period for certain improvements that they could make cost-effectively and thus both reduce their own costs and help to reduce carbon emissions.

That is common sense. It is absolutely correct and proper. To suggest, as the Opposition do, that the HIPs scheme should be scrapped and that there should be a different introduction of energy performance certificates seems crazy. Energy performance certificates are in place now. We need to extend them, not talk about scrapping the system. That requires, ultimately, the implementation of the whole scheme, which must be extended to all house sizes. I hope that my right hon. Friend will introduce measures as soon as possible to extend the application of HIPs to all houses in the market. Also, to repeat what I said before, it will be necessary to extend the scheme in due course to include home condition reports as well, because that will bring the full benefit of the scheme to the consumer.

I have made it clear that I was not happy with the way in which the scheme was introduced. There were problems and weaknesses, but the situation is not irretrievable. There is a basis on which we can build, and our determination now should be to ensure the benefits to the public and a real improvement in the house buying and selling process.

5.25 pm

**Mr. Robert Syms** (Poole) (Con): This is not the first debate that we have had on home information packs, and I doubt that it will be the last. This one is going to run and run. As the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) has just said, the genesis of the matter goes right back to the beginning of the Blair Government. Indeed, I served on the Committee that debated the 2003 Housing Bill, which became the Housing Act 2004. I find it amazing that, having had such a long lead-up, the Government did not get more of their ducks in a row to produce the scheme in good time.

I am not sure that the Government understood what they needed to do to establish the scheme. They needed to build capacity, to get people trained, and to give a degree of certainty of the outcome, yet every time it came to the crunch, they seemed to duck the issue and move away. The abandoning of the home condition reports, which were such a central part of the pack, largely undermined the existing scheme. We on this side of the House take a different point of view from the Government in that we do not think the scheme is salvageable.

The right hon. Member for Greenwich and Woolwich mentioned the losses incurred through transactions not proceeding. There are several reasons why transactions do not proceed, but we do not believe that the solution is to impose costs on the whole selling industry in order to offset the cost of those lost transactions. The cost of the scheme to the industry will in fact be rather higher than the cost of lost transactions under the previous system.

*[Mr. Robert Syms]*

There were trials, but, as we pointed out in Committee, giving someone a pack for free is rather different from making it compulsory and charging them for it. That was always going to be a difficulty. The Bristol trials were thrown at us on a daily, if not hourly, basis in Committee, and we were told that they were terribly popular. The reality, however, is that this country is somewhat different from Australia and some of the other countries that use this system. When I served on the Housing Bill Committee, I started off by feeling unsure about home information packs, but the more I heard about them, the more convinced I became that the idea would not work in the way that the Government said it would.

The other approach we took in Committee was that if this was such a wonderful idea with such marvellous consumer benefits, and if people wanted it so much, why should it not be a voluntary scheme? Why make it compulsory? We argued that people would pay for it if it would result in an efficient market. The Government responded that they had to make it compulsory so that everyone would have a home information pack in order to speed up the chains and get a more efficient market. At the moment, however, only some housing is in the scheme, so we have a system in which only the buyers and sellers of certain types of houses have HIPs. We do not have a properly working scheme at the moment.

We need an assessment of whether the scheme is working or not, but at the moment it is too early to tell, as we do not have a properly implemented scheme. We will not see the benefits—if there are benefits, as stated by the right hon. Member for Greenwich and Woolwich—unless we move to a system in which all houses are in the scheme and everyone has to have a pack. The logic of that argument is that we have to speed up the system, which is why I intervened on the Minister to ask when this would happen. If the Government are going to persevere with this, they are going to have to move quickly to include the other houses so that the logic of the system can work properly and effectively.

There are problems. It is all very well for the Government to throw at us the fact that we are against the scheme, but what about the poor inspectors? Many people looked at the websites and saw a business opportunity. They spent £7,000—sometimes £10,000 or £11,000—to train. The proposition on which they undertook that training has changed, however. If they take the optimistic view of the right hon. Member for Greenwich and Woolwich, the scheme as originally intended might be implemented at some stage in the future. Between now and then, however, the potential marketplace for those people presents a problem. It has been pointed out that they did not get a grant. Some of them set up small businesses, websites and goodness knows what else. I am not sure that an apology would be worth very much, but I certainly think that the Government should give some thought to it. There are many people out there who took the assurances at face value and are now struggling. If the Government are not careful, those people will not do what they were trained to do but go into some other business because they do not see the prospects that they wanted coming to fruition. The capacity in the system will start to decline, so the ability to spread the scheme to smaller homes will be less. The Government have got themselves into a bit of a pickle.

A debate on energy performance certificates has taken place across the Chamber and the Minister has talked about savings of up to £300 a property. What we need to remember is that only a small percentage of all this country's properties come up for sale and that a large percentage of those that do are new build, so they have some environmental benefits within them. About 96 or 97 per cent. of property does not come on to the market. At the moment, only four-bed properties—and we are soon to move to three-bed properties—have a home information pack with the energy performance certificate, so we are talking about only a percentage of a percentage. The vast majority of British housing stock does not have an energy performance certificate.

If we are serious about tackling climate change—we are also going to have to face difficult decisions on what to do about nuclear power and increasing the generating capacity of our nation—the logical approach would be to look at the whole of the housing stock, perhaps over a period of years, to see whether efficiency savings could be made. It is sometimes the homes that are not sold for 20, 30, 40 or 50 years that are most in need of energy performance certificates. On the Government's approach, yes, it has been implemented early, but it covers only a small percentage of our housing stock. Substantially more could be done if more thought were given to how to spread the benefit throughout the entire housing stock—even to those homes that do not actually come on the market. We would then be able to make much greater and better progress.

**Paul Holmes**: Does the hon. Gentleman not agree that we have to start somewhere? In Germany, the process started a few years ago. The Germans attempted to cover 5 per cent. of existing houses every year in order to bring them up to acceptable energy standards. In San Francisco, it was started 20 years ago. The fact is that we are abysmally behind on environmental measures in this country, but we have to start somewhere. Is this not one of the first steps?

**Mr. Syms:** I agree, but the Government should have some sort of target for doing the whole housing stock over a period of several, perhaps 10 or more, years. There might be a role for local government here. Why not fund some local authorities to ensure that the housing stock in their areas has a high percentage of energy performance certificates? Those with the highest percentage of housing with certificates should get some kind of benefit. If the carbon footprint and the environmental agenda are important, we have to deal with those aspects in homes, where so much energy is generated and wasted. At the moment, we are considering only a small percentage of the problem, so we can afford to broaden the argument and do substantially more by covering the whole housing stock.

On the question of stamp duty for first-time buyers, we know that there are many concerns about young people not being able to get into the housing market. It is a great fear among many of my constituents, and we all know about the difficulties that youngsters face. We

also know that many of them are buying at a rather older age—rather than the later 20s, it is the 34s and 35s who are buying—and some of that is down to lifestyle. People get married later; they want to do their own thing by going to Nepal or other places; they do not necessarily want to get into the housing market straightaway.

I would say that even though the Conservative proposals are not the only answer to the problem, they are a help. As we all know, buying a home comes with all sorts of associated expenses—carpets and curtains, for example—and people who are buying a home for the first time because of a relationship or marriage often end up with children. We know that poverty usually hits those families with one or two children in the first years of marriage, often because one of the household incomes goes down if the wife has to give up work. Our proposals offer some help to people who are struggling at the beginning of their adult lives. Insofar as we can pick bits apart, that is fine; it is a debating point. Ultimately, most of us, as politicians, would hope that we can address the problem and help people who want to get on to the housing ladder. What we are doing is helping. I therefore commend what was proposed today by our shadow Minister for Housing and at our party conference. Even if the other parties in the House do not agree with the proposal, let us hope that it engenders public debate about how to address the issue. There is not an easy answer, but the matter is of real concern to our constituents and many young people.

Given the shouting across the Dispatch Box earlier, it seems that housing will probably be a battleground of the future. Building millions of homes is not the answer; we have to manage our existing housing stock. A lot of houses are empty, and a lot are sub-standard and can be done up. One million flats over shops are not in use. Many people live in homes that are too large for them, and tax incentives could be used to bring some of the unused bedrooms and other rooms back into the system and offset some building.

A report by the Town and Country Planning Association, with which the right hon. Member for Greenwich and Woolwich has been associated in the past—as president, I think—found that one of the factors in the need to build more houses is longevity. People are living longer not just in the south but in the north and across the UK, so if more houses have to be built to deal with that, they will have to be built across the UK.

Management of our housing stock is just as important as building. Whatever figures Ministers use—2 million or 3 million—we must remember that it is one side of a complicated equation for the provision of decent, environmentally friendly housing stock for our electorate. Using existing stock more effectively is an important part of that.

5.36 pm

**Andrew Miller** (Ellesmere Port and Neston) (Lab): It is interesting to follow the hon. Member for Poole (Mr. Syms), who made a thoughtful speech. I hope that he allows logic to prevail and joins the Government in the Lobby tonight, because his conclusions do not lock into his thoughtful contribution. I feel sorry for the hon. Member for Chesterfield (Paul Holmes), who had to read the conference speech of the hon. Member for Welwyn Hatfield (Grant Shapps) three times; once would have been a punishment, but three times is far too much for anyone.

I have taken a particular interest in this subject. I accept that there is a constituency interest, and it is not improper to argue the case for one's constituency in the Chamber. The new, revived Ellesmere Port and Neston constituency has changed dramatically from having an unemployment rate in the mid-teens under the Conservatives to having very low unemployment and exciting, vibrant new companies moving in. One of the companies to move into the Cheshire Oaks business park is LMS, which provides about a fifth of HIPs across the country. I have been following its fortunes with great care, as it not only employs several hundred of my constituents but its product has been controversial in the House. As with any company that has a controversial product, I want to make sure that I am on the right side of the argument, and not just because the company is in my constituency. I am firmly convinced that its product is good not only for the consumer but for the lender, and is beneficial for the whole market, which needs to develop some momentum.

In a moment, I shall make some observations about the lower end of the housing market, which needs a stimulus. I want to encourage my right hon. and hon. Friends on the Front Bench to drive forward the policy to its logical conclusion.

Figures have been bandied about, but HIPs from LMS—if I can do an advertorial for it—start at just £249, including an energy performance certificate, and people can have them within a few days. An interesting consideration is that lenders can add their margin to the cost. The Department needs to reflect on how far it is reasonable for them to mark up the cost of the HIP product provided by a third-party company.

An extremely good relationship has developed between LMS and the local further education college. Perhaps my right hon. Friend the Minister for Housing can pass that information on to my right hon. Friend the Secretary of State for Children, Schools and Families. The energy aspect of the product and, indeed, the whole package are new, and the technology that supports it is by necessity, if it is to be efficient, very sophisticated. A partnership has developed with the college to provide training to people who work within the company. That new technology training is most welcome in a traditional manufacturing constituency. Although it benefits hugely from the retail and leisure sectors, it needed some modern service industries, at the cutting edge, to support its economy.

Some of the world's leading names support the LMS platform and it has provided important work for my constituents. I asked its managing director, Andy Knee, what effect the motion would have—*[Laughter.]* The Opposition think it is funny to make people redundant. Andy Knee said:

"The scrapping of HIPs would force LMS to make around 300 redundancies. Around ½ of these would be at our offices in Ellesmere Port and the other ½ would be energy assessors up and down the country. We would also have to write off a £12m investment programme."

*[Andrew Miller]*

That is just one company. Others have also taken a perfectly honourable position and adopted new businesses in a new field. The Conservatives are happy to scrap their jobs. They are laughing. They always think that unemployment is a joke. They thought that it was a joke when 3 million were unemployed—when unemployment was in the mid-teens in my constituency; it is now at 2 per cent. and falling.

I want to press the Under-Secretary on why the Government are delaying the roll-out of HIPs for the whole property market. What estimate has been made of the level of unnecessary carbon dioxide emissions produced by one and two-bedroom properties? Having looked at the Government's amendment, which I support, it is axiomatic that there must be a figure. It would help if the Under-Secretary could let us know whether work has been done on that. It would be hugely beneficial if we could get that figure into the public domain and help people to understand that there are real benefits, not just for them as individuals, but for their families and society, from driving HIPs forward.

There is no evidence that HIPs have adversely affected the market. My right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) made that point extremely well. All agents report that stock levels of all property types are rising. There is plenty of property for sale; the problem is that there are not enough buyers.

The Royal Institution of Chartered Surveyors's own figures are worth looking at. They suggest that listings of one and two-bedroom properties are down by almost 30 per cent. Surely if HIPS were distorting the market, the number of properties listed in that sector would be up, not down, as sellers rushed to beat the next commencement order. We cannot have it both ways, save for the Opposition. Their argument was false earlier this year, and it is false now. Many factors affect the market, and downturns happen from time to time.

**Mr. Charles Walker** (Broxbourne) (Con): Who is responsible?

**Andrew Miller:** It is a market, and markets fluctuate. During other debates on this subject, I have heard people say, "It will be different in different months of the year, because of the holiday season." It is a market fluctuation. The pattern governing one and two-bedroom properties, and the fact that listings are down by 30 per cent., has nothing whatever to do with HIPS

The cost of an HIP, which can be deferred until the property sale is completed, represents a tiny fraction of the cost of moving home. A very good friend of mine has just experienced three abortive sales because his property was outside the scope of HIPs when he put it on the market. The simple fact was that in the 25 years he had owned the property lawyers' standards of due diligence had risen, and more and more queries were being raised about matters that used to be taken for granted. He has ended up with a problem resulting from a document that may not have been as strong legally as it should have been, but the sale of the property was delayed simply because of the way markets work. Had the HIP been in place and had he been required to arrange a survey in advance, he would have confronted the problem before the property went on the market.

The simple reality is that the RICS and the Law Society want to protect the financial interests of their members. They want to keep conveyancing costs high and to exclude any other type of professional from inspecting properties. Their thinly veiled attempts to protect their own members' luxurious lifestyles ought to be resisted. We must proceed to a full roll-out of HIPs as soon as possible. Those who will gain most will be first-time buyers: they will begin to benefit, and we shall then be able to get down to the important business of improving energy efficiency.

The housing market varies tremendously up and down the country. The hon. Member for Poole (Mr. Syms) mentioned flats over shops. In my constituency, excellent work by the Methodist Homes Housing Association in partnership with the local authority and shop owners has produced solutions, but such interventions make very small contributions to the market. There are many such small interventions, and I agree with the hon. Gentleman that we should give incentives to housing associations and local authorities.

My hon. Friend the Under-Secretary should maximise the flexibility that he gives local authorities to develop schemes that suit the needs of their communities, each of which has a slightly different pattern. There cannot be a one-size-fits-all solution. What applies to the constituency of my right hon. Friend the Member for Greenwich and Woolwich will certainly not apply to my constituency in Ellesmere Port, although the two constituencies contain a proportionately similar number of people at the disadvantaged end of the spectrum. Our housing markets are quite different.

I ask for flexibility and an early roll-out. We should be confident. I agree with the hon. Member for Chesterfield that we should monitor the situation and that there should be transparency, but we should also stop listening to the weasel words of those Opposition Members who are simply singing the song of vested interest, and instead get on and do the job.

5.50 pm

**Mr. Charles Walker** (Broxbourne) (Con): We have just returned after an extremely long summer recess, but when those of us who have been Members for at least two and a half years—and have therefore been involved in the whole home information pack fiasco—sit through debates such as this one, we realise that the summer recess is in fact not long enough. It should instead be about 11 months long, because when Members are away from the House they do not come up with hare-brained schemes such as the home information pack, which is just yet another tax on home owners.

This Government clearly do not have a great love for home owners, because on top of massive increases in stamp duties over the past 10 years and the recent Northern Rock fiasco—which has led to interest rate rises for home owners—they want to bring in yet another cost in the form of home information packs. It is all very well for the Minister, who clearly does not

believe in them any more either, to say that a HIP will cost only £350 or £400—that it amounts to merely a marginal increase in the cost of buying a house—but £350 or £400 is a lot of money for many people. I have not met anyone in my constituency or anywhere else who has said, "Actually, I think home information packs are a very good idea."

In his speech, the hon. Member for Ellesmere Port and Neston (Andrew Miller) expressed faux compassion for LMS, one of the largest HIP providers. It is clear that LMS wrote his speech for him—and it is also clear that it managed to get it to him only a couple of hours ago, because it was not well rehearsed.

The situation is bizarre: our country has a good housing market that works fairly well—in fact, it is one of the best-working housing markets—but this Government have decided in their wisdom to gum it up. Of course, major transactions such as buying or selling a house do not always proceed as smoothly as one would like. They can come undone; people can pull out of a sale or purchase, or raise or drop the price. That is the nature of the market; and I wish this Government truly understood the market, because then they would not spend so much time interfering in its workings and making things all the more difficult for the many hundreds of thousands, if not millions, of people who want to buy homes each year.

**Mr. Geoffrey Clifton-Brown** (Cotswold) (Con): I apologise for not having been present for the entire debate. During the recess, I bought a house and sold a house, and my sale took longer as a result of the pack because the searches are limited and the purchaser's solicitor insisted on doing his own full searches, which he had relied on in the past. I also think that the energy performance certificates are suspect and cannot be relied upon; I thought my house was extremely well insulated—it is double glazed throughout and the roof and tank are insulated—yet it got a relatively low score.

**Mr. Walker:** My hon. Friend makes an excellent point. If I wish to buy a house in the future, I will not take the word of someone acting on behalf of the vendor. I will want to have a good look at the house for myself. Therefore, I will still pay my solicitor to do my searches. It is a little like buying a car. When we buy a car, the seller says, "I've got the service history," but we reply, "That's very useful, but I'm still going to get the guy from the AA to come along and have a look under the hood."

Many of the people I talk to about this measure are concerned that it is just yet another excuse to have more people working in a quasi-governmental role snooping round their homes. They say, "There will be yet more people I've got to have in my home looking behind the curtains, looking under the bed, telling me what I should be doing." There is not a huge appetite for that.

Again, we can ask: what will happen to the information once it has been secured? Will the Government take ownership of it and use it at a later date to raise our council tax bands, or use it as an excuse to increase stamp duty? We do not know with this Government, because any excuse is always grabbed to put up the cost of things such as buying homes or to increase taxes. That is the way this Government work.

If this Government were an honest Government, they would have had an election last week—but setting that aside, they would also realise that this measure has been an unmitigated disaster. It is so boring to come to the Chamber and hear former Ministers justify what they did before they were removed from office. The right hon. Member for Greenwich and Woolwich (Mr. Raynsford) gave a lengthy exposition of why the HIPs idea was so reasonable and good, but it is neither. Seven years have passed since he introduced it, but the faces of the few Labour Members still attending the debate make it clear that they know in their hearts that it is a disaster. Why do they not have the courage to say, "Look, we got it wrong. Let's get rid of this nonsense. We're very sorry we've wasted so many people's time, and that we've conned those poor men and women into giving up their jobs and spending £4,500 on training to become inspectors."

Opposition Members are nothing but fair. We recognise that those people must be compensated, even though taxpayers' money would have to be used. We hate to see people disadvantaged—unlike the lot over there, who are quite happy to see millions of home owners every year disadvantaged by yet another tax. That is pretty thin gruel. Whenever the Prime Minister calls a general election, I think that people will let him know as much.

5.56 pm

**Mr. Clive Betts** (Sheffield, Attercliffe) (Lab): I do not usually start a speech by agreeing with the Liberal Democrats, but the hon. Member for Chesterfield (Paul Holmes) made a very succinct and accurate analysis of Conservative proposals to reduce stamp duty. I also agree with him that it would be better if we could eventually move to a graduated stamp duty, instead of the stepped approach that we have at present, as that causes particular problems. The hon. Gentleman also offered a balanced and fair analysis of where we have got to with HIPs. He gave general support for what the Government are trying to achieve, but set out some criticism of the approach that has been adopted. I might disagree with the hon. Gentleman about other matters to do with general housing policy, but I accept what he said on those points.

I first began to consider HIPs when the Select Committee covering the work of the former Office of the Deputy Prime Minister held an inquiry into the draft Housing Bill in the previous Parliament. We had lots of questions about the impact that HIPs would have on the market, especially in respect of low-value homes, and we were also concerned about the process and the costs that would be involved. Like me, the hon. Member for Poole (Mr. Syms) was a member of the Standing Committee considering the Bill, and he has already described the further discussions that took place. A lot of analysis was done, but I am not sure that sufficient account was taken of all the concerns expressed about the process that needed to be gone through before HIPs were introduced.

I shall say a little more about that in a minute, but I was eventually persuaded that something needed to be done when I examined the system that we have now. Does anyone here really mean to suggest that the current process for buying and selling homes in this country is

*[Mr. Clive Betts]*

perfect, ideal, satisfactory and incapable of reform? The hon. Member for Broxbourne (Mr. Walker), who has just spoken, seemed to come close to doing so. The trouble is that the Opposition oppose the introduction of HIPs but, as far as I can see, do not have any policy to improve and reform the process of buying and selling homes.

The Opposition appear to be satisfied with the current arrangements, but anyone who has gone through the process of buying and selling a home will describe all the flaws and frustrations in the system. Lots of elements in the process do not work, and I am not talking about the frustrations caused by lumping furniture around during the removals stage. It is the process of buying and selling that makes people so frustrated that they say, "We'll never do this again!"

A few minutes ago, the hon. Member for Broxbourne almost got as far as describing the fundamental flaw in the process, which is that people making the most important purchase in their lives make an offer on a property without all the essential knowledge that they need. They do not know the property's true condition, or its energy performance. They do not always know whether the people selling the property actually own it, yet still they make an offer.

**Mr. Walker:** Many offers are made, but they are subject to survey.

**Mr. Betts:** Of course, that is exactly right, but would it not be an awful lot better to make an offer once the survey had been done? Only three out of four offers made go through to conclusion, which means that one in four is dropped. Those prospective purchasers who, once the relevant information is made available, decide to withdraw their offer and not complete, discover that they have wasted the money that they have already spent. The process is nonsense. The hon. Gentleman is absolutely right: he would not make an offer on a car without getting it tested by a qualified person. He would not hand over £10,000 for a car until a survey had been carried out. That shows what nonsense the process of buying and selling property is and why we need reform.

I have a criticism of the Government. I agree with my right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) that it is a great shame that they dropped the home condition reports from HIPs and made them voluntary. The reports will not work on that basis and will eventually have to become a proper part of HIPs, so that everyone produces a home condition report before they put a property on the market. People will then be able to see what they are buying.

Members say that they would not trust a survey or search commissioned by someone else. We explored that issue in detail in the Housing Bill Committee. We asked what would happen if a survey was found to be faulty and the condition of the property was not as described. Would a third party—the buyer who had not commissioned the survey—have the right to sue the surveyor if the job had not been done properly? The answer is yes; they would have that right. It is clearly on the record in *Hansard*.

I am content with that position. If people can sue the surveyor for doing his or her job improperly there is no problem in trusting a survey commissioned by the seller. If the buyer goes through with the purchase and the survey is found to be faulty, they will have a right in law to take action. That is a satisfactory position.

I accept that the implementation of HIPs has been far from perfect. As I have already said, it was not the happiest episode in the Government's life. The process was too slow, the direction was not clear and we should have had pilots. We have not got it right in a number of respects.

**Mr. Clifton-Brown:** The hon. Gentleman always follows these debates with great care, so will he take on board my practical example of what happened to me when I tried to sell a house? The standard survey included in the pack was not trusted by the purchaser's solicitors. The same thing would apply to surveys and everything else. In this country, we have the principle of caveat emptor—the buyer must satisfy himself as to the information he is given. If he is not given sufficient information he will have to do the whole thing all over again.

**Mr. Betts:** I think the hon. Gentleman is referring not to surveys but to searches and my right hon. Friend the Minister dealt with that point. As HIPs come into effect and are more common and people understand them, the problem of buyers wanting second searches or second surveys will not arise. People will come to accept HIPs as a legitimate part of the process.

There have been temporary hiccups in the introduction of the new scheme, but they are minor compared with what the Conservatives told us would happen. They said there would be Armageddon in the housing market; the market would collapse, no one would put their house up for sale and if they did it would take weeks to get the packs produced. No energy surveyors would be available and delays would result from the shortage. The cost would be £1,000 a time. That is what we were told over and over again, but what actually happened?

My right hon. Friend the Member for Greenwich and Woolwich demolished the argument that houses would not come on to the market because of the introduction of HIPs. There is no evidence for that. The cost is not £1,000 but between £300 and £350 on average, including the energy performance certificates, which were not part of the original process. I hope that most people welcome the fact that we have those certificates even if they cannot agree that they should be part of the HIP process.

There have not been long delays. There are plenty of energy surveyors able to do the work. All the disasters we were told would befall us when HIPs were introduced have not happened. There is not a shred of evidence.

I have not had a single complaint from a constituent buying a house or from an estate agent since HIPs were introduced. I guess that is the case for most Members. We have had no complaints because the process was introduced far more smoothly than even I as a supporter of HIPs believed possible. That is the real situation.

The hon. Member for Poole made a reasonable speech. He talked about energy performance certificates. It is right that they should be part of HIPs. We have at least introduced them, and an increasing number of houses will get them as buying and selling with HIPs proceeds. However, I agree with him that we have to consider what more we can do to roll out energy performance certificates for houses that probably will not come on to the market for a number of years. The Communities and Local Government Committee will hold an inquiry on energy conservation for existing homes; that is one of the issues that we want to take up. It was a reasonable point, and the Government ought to think about it.

I agree with the hon. Gentleman that HIPs will not operate properly if they are used for only some houses. My solution is to get one and two-bedroom properties into the HIP process as quickly as possible, not to scrap the process for properties with three or more bedrooms. However, he made a reasonable point, and the Government have to think about how quickly we can introduce the process, so that we can get more sense into the market. Of course, introducing HIPs for one and two-bedroom properties is most likely to help first-time buyers, who tend to buy such properties, as there will be a transfer of cost from the people buying properties to people selling. So first-time buyers will benefit far more once smaller properties are brought into the system. My question for the Government is: how quickly can we get that done? We need it done as quickly as possible.

Finally, I come back to home condition reports. I still believe that one of the fundamental problems with buying and selling a home in this country is that people not only make offers without knowing the condition of a property, but often buy it with only a minimal survey having been done. Such a survey will not reveal potential fundamental flaws with the property. *[Interruption.]* Okay, we can all shout out, "buyer beware", but I believe that the Government have a responsibility to try to make sure that there are safeguards for people undertaking the most important purchase of their life. That is a different approach; Opposition Members are happy to leave it to the market, but I believe that we Members have a responsibility to our constituents in that process. We have a responsibility to bring in appropriate safeguards. Integrating home condition reports in the HIP process would achieve that, and I hope that the Government will eventually come to that point of view.

6.6 pm

**Mr. Ian Liddell-Grainger** (Bridgwater) (Con): I am staggered by some of the speeches that we have heard from Labour Members, and I am perturbed by the lack of a sense of reality that is coming through loud and clear. I want to put on record the situation in Bristol, which the Government have talked about.

"There were 15,000 voluntary packs"

sent out in Bristol,

"only 250 of which had a home condition element."—[*Official Report, House of Lords*, 11 October 2006; Vol. 685, c. 336.]

None of them could be tested because there were not enough people to test them. Although there were 250 such packs, only 189 people participated, and only 90 sales were completed under the scheme, of which only 30 involved new properties. It was a shambles from beginning to end. I am sorry, but for the Government to say that they did a proper test is completely false. The words I quoted are those of Baroness Andrews, who was then—and still is—Under-Secretary of State, Department for Communities and Local Government.

The situation has got out of hand. There is no doubt that it is getting ever more difficult for people to see the truth. Hon. Members have made some good interventions and speeches pointing out that there is total mistrust in the system. What Government in their right mind would suggest to people that they spend £4,500 to £8,000 getting a qualification when they know that it cannot be implemented, just because they have carried out a test in Bristol? The test was carried out under Government guidance—they put £320,000 into it for good measure—to see whether the system worked, and it did not. Surely the Government should not only compensate the people involved but apologise to them.

I was staggered to hear what the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) said, because I know perfectly well that last year he praised the quality of the teaching, saying that everyone who got the qualification would definitely get a job, and would earn a considerable amount of money—we have heard a figure of £70,000 bandied about, but in reality I do not think that anyone knew what the amount would be. For the Government to be stuck in this way is ridiculous.

I would also like to take up the point on what the housing market has done. My hon. Friend the Member for Cotswold (Mr. Clifton-Brown) spoke about his experience. According to the latest Royal Institution of Chartered Surveyors survey, which was done in September, prices have continued to fall in England and Wales, when compared with prices in the same month in 2006. Some 73 per cent. of the respondents indicated a decrease in the number of three-bedroom or larger properties coming on to the market. The biggest decreases were in East Anglia, where there was a decrease of 87 per cent., and in the west midlands, where there was a decrease of 82 per cent. I am sorry to tell the Government that claiming that this scheme has not affected the market is fundamentally flawed, and they cannot have it both ways. They were warned by the Oxford Economics forecast in 2006 that this situation would occur and, to put it crudely, the chickens have come home to roost. It is fundamentally wrong for Labour Members to say that that is not the case.

The history of the scheme has been a catalogue of disasters because nobody on the Government Front Bench could agree what should be in the packs in the first place. I am not fundamentally against having some form of energy test on my house, and I am perturbed that my hon. Friend the Member for Cotswold said that he did not think it was right. My property is double-glazed throughout. It has solar panels and water butts to collect rainwater. I happen to believe in such a test, but how do I get somebody to be responsible for the report? As things stand, if one sues a HIP provider, one has no recourse.

It has been rightly pointed out that it is up to the buyer to make up their mind and not for the seller to

*[Mr. Ian Liddell-Grainger]*

tell them what the case is, because there is no recourse against the seller. If they leave the country, divorce, split up with someone or go on to benefits, how would the buyer get any money back? They would not be able to do so. We should examine how to provide a report on energy efficiency, but we should not do it in a way that costs more and more money.

The other thing that I find iniquitous is the fact that this scheme started in August, with no recourse to Government or Parliament. The Opposition have been forced to demand this debate to bring it to the Government's attention. They have sneaked it out when we were all on holiday—the rugby had not even started then—and that is fundamentally wrong. They cannot sneak out a flawed system pretending that it will work when everything says that it will not.

The hon. Member for Sheffield, Attercliffe (Mr. Betts) made a valid point that the housing market is not perfect. I know that because I used to build houses, but I do not believe that the right approach is to make the system more complicated. I fundamentally disagree with him, because his method would make it far more complicated.

One of the things that I have always admired is the Scottish system of missives. When buying a house one goes to one's advocate and signs an undertaking. One is not allowed to gazump or break that, because if one does, one loses 10 per cent. of the contract value, whatever that may be. That is a sensible approach—I have bought and sold houses in Scotland for various family reasons and have found that it works well. There is no leeway in that market. Why can we not explore that approach? Instead of imposing more conditions on people, we could use an existing system. I believe, although I may be wrong about this, that the hon. Member for Chesterfield (Paul Holmes) said that the system in Germany works well. Let us explore what we can do, without trying to reinvent the wheel.

**Mr. Betts:** Does the hon. Gentleman understand that one of the problems with the Scottish system, about which there are complaints, is that because people have to put in a bid for a property that they must stand by if it is accepted, everyone who puts in a bid must do a condition survey in advance? That multiplies the amount of surveys being done and the cost to people, particularly to those whose bids are not accepted and who have simply wasted their money.

**Mr. Liddell-Grainger:** I thank the hon. Gentleman for that interesting point, which was eloquently made by my hon. Friend the Member for Cotswold. It is up to the buyer, the mortgage lender and the solicitor to satisfy themselves. I would not sell or buy a house unless I was totally happy with the system and with what I was doing. Nor would I allow anyone else to do it. I do not think that the Government should hold the hands of every person in this country when they buy or sell a house. We should let the market decide—that point has been made—but let us have a system that works. I cannot agree with the hon. Gentleman.

**Mr. Clifton-Brown:** I do not think that the House would want to be misinformed. The Scottish system has recently been upgraded, so that now one must put in an expression of interest. All those expressions of interest are then sifted by the buyer, who accepts one offer. That offer is binding, subject only to survey, and so the system of all the buyers having to do a survey is no longer current in Scotland.

**Mr. Liddell-Grainger:** I thank my hon. Friend for pulling me up. The system has changed. It is a little while since I bought a house, so I am grateful to my hon. Friend for clearing that up. I still disagree with the hon. Member for Sheffield, Attercliffe, but I take my hon. Friend's points on board. He is qualified.

In conclusion, the Government have a responsibility. HIP providers say that if the scheme goes, people will be made redundant. People have already lost money. Estate agents still do not know what is going on. There is uncertainty in the market, which has changed. All that is the Government's responsibility. I hope that the Minister will make it clear tonight that it is not acceptable for the Government to have got a sector of our community into such a situation. The scheme is fundamentally flawed and has no legitimacy at all. If hon. Members do not think that I am right, they should listen to people such as solicitors and mortgage lenders, who all say the same—it is not working.

6.15 pm

**Mr. Douglas Carswell** (Harwich) (Con): The evidence is so overwhelming that I shall be brief. Home information packs are a monument to incompetent government. The Royal Institution of Chartered Surveyors, the National Association of Estate Agents, the Council of Mortgage Lenders, and even the Government's own Better Regulation Commission have been critical of HIPs. Even the Consumers Association, which was originally a supporter of the packs, said that

"the new 'half-HIP'"—

which lacks a home condition report—

"will be a useless but a very expensive waste of time".

In evidence to the House of Lords, the National Association of Estate Agents stated:

"There are many other ways of improving the home buying process but HIPs will not achieve this. . . HIPs will actually have an adverse effect on the market. Our independent research indicates that a significant number of potential sellers will think twice before marketing their property if they have to consider paying for a HIP . . . The net result would be a reduction in supply".

The big problem in housing is constraints on supply. Anything that further constrains supply will only exacerbate the problems that we have with housing.

Recent research carried out by the Royal Institution of Chartered Surveyors draws a direct link between the introduction of HIPs and the decline in instructions. Respondents to the RICS survey recorded an average fall in new instructions of 37 per cent.

The Government have done more than anyone to build roadblocks to home ownership. They have restricted the right to buy. They have driven up council tax by turning it into a stealth tax. Now they have introduced HIPs—a further constraint on supply. How can Ministers claim that HIPs will improve home buying or home selling, when they will do nothing to

address issues such as gazumping? If the Government wish to be creative about solving the problems, they should look, as my hon. Friend the Member for Bridgwater (Mr. Liddell-Grainger) suggested, at some of the ideas north of the border. HIPs are not the answer to the problem.

The HIPs debacle, which is still unfolding, has been a test case of how not to legislate. It has been a brilliant illustration of how not to improve home buying and home selling. Home information packs represent yet another Government initiative desperately searching for a rationale. Like that other huge, monstrous Government extravagance, ID cards, HIPs are a solution looking for a problem. It is right and proper that the Conservatives are committing to the abolition of HIPs.

6.19 pm

**James Duddridge** (Rochford and Southend, East) (Con): It is always a pleasure to follow my hon. Friend the Member for Harwich (Mr. Carswell), who made an excellent speech. It is also always a pleasure to follow an Essex MP.

The motion refers to both stamp duty and HIPs. Government Members may be interested to know that following the Conservative party's announcement on stamp duty, I have not received a single letter supporting the Conservative party's position. That is, of course, due to the Government's mishandling of the postal strike, so I have received only e-mails of support. One young couple stopped me on Sunday morning—I am sure that hon. Members will sympathise with this—when I was out and about trying to do my business with a young child in tow. One of them said, "You don't mind if I have a word." I hesitated before saying, "Of course, carry on." They explained how they had been Labour supporters but not Labour voters—they had not bothered to vote—and how, because of the stamp duty change, they had decided to vote for the first time. I am looking forward to receiving my mailbag from the Royal Mail in Southend, once the situation returns to normal.

I have received a lot of correspondence about HIPs. I shall begin by returning to my intervention on the Minister for Housing during her opening remarks. She wrote to me on 26 June 2007 following some correspondence from my constituent, Anthony Bennett of Southend, about energy performance certificates:

"When a property is first placed on the market, the EPC contained in the HIP cannot be more than 12 months old. This is a transitional measure, pending the result of the consultation on the allowed age of an EPC, which will be conducted over the summer."

In replying to my intervention, the Minister seemed to indicate that that consultation had not even happened. Will the Under-Secretary confirm whether the letter of 27 June was inaccurate or whether the Minister's comment was not a fair reflection of what happened? Was the consultation over the summer abandoned and kicked into the long grass because of other problems with HIPs, or did it take place and reveal something that the Department needs to spend more time working on?

I have also received a number of letters from people who are training to become HIPs inspectors. I have not got this constituent's authorisation to mention their name, but they stated:

"I'm just a bit of political roadkill that no one gives a damn about."

Some of the anger related to all politicians, but the Government introduced the initiative. There were certain EU directives around the EPC that were absolutely essential, but the Government added to the problem. The situation is an unnecessary disaster of the Government's creation. One of my constituents spent more than £10,000 training as a home inspector, which is significantly more than the sums mentioned earlier.

I have also received correspondence from local solicitors. Charles Latham is a partner in Tolhurst Fisher. He is a respected gentleman who has served as mayor of Southend, although he is no longer directly involved in local political life. He wrote to me and stated:

"I do seriously believe that the introduction of the packs will have a serious effect on the housing market which in turn is bound to have an effect on the overall economy of the country."

He has 25 years' experience of conveyancing, and he has experience as an estate agent. He continued:

"the Government has watered down the contents of the pack to make it, frankly, of little use to any interested purchaser."

The Government have done neither one thing nor the other, and we have the worst-case scenario—a fudge between the two, which will not work. The energy report could have been done separately, which would have been simpler than gold-plating EU directives and adding to regulation. Both Government and Opposition Members care passionately about the environment, but there are different elements to it. For example, the environmental impact of flooding is especially important in Southend. Even if we were to introduce a home information pack, different people want different things in it. In Southend, environmental protection is, perhaps, more important than energy efficiency.

The right hon. Member for Greenwich and Woolwich (Mr. Raynsford) clearly has a vested interest in the subject both through his entry in the Register of Members' Interests and, more importantly, through his experience as a Minister. He pointed out that the housing market system has grown organically over a period of time, which is how any changes should have been introduced. If there is a market value to energy certificates, and if there is a market value for the buyer in providing a home condition report, why were people not buying such things to start with? It would be much better for the market to lead the change than for the Government to do so.

The hon. Member for Sheffield, Attercliffe (Mr. Betts) said that the survey done by the seller could be used by the buyer. I have experience as a retail banker in the UK—admittedly four or five years ago; legislation might have changed—and the hon. Gentleman's recollection of advice given to the Select Committee is certainly not my recollection of the legal position in the United Kingdom. For there to be legal recourse to the survey, it would be important not only for the buyer to have paid for it, but for it to be addressed also to the mortgage provider, if it were to have any validity. Of course, the home condition report refers only to a particular type of survey; many people will want to do a much wider survey, so will end up having to pay double anyway. That does not make any sense whatever.

*[James Duddridge]*

While looking at the BBC website, I came across one provider of HIPs called HipHipHooray.com. It is poetically named, but given that HIPs have been a disaster rather than a cause for celebration, perhaps that provider should be taken to trading standards for implying that they are anything to be happy about. The HIPs process, managed by this Government, has been a complete and unmitigated disaster that will continue. There is still an awful lot of uncertainty.

**Mr. Walker:** Does my hon. Friend share my view that there is no appetite left in Government to bring the issue forward? If they were honest and up front, they would ditch the disaster now and get on with other things for the next two and a half years.

**James Duddridge:** If they were a bolder, brighter Government looking forward not backward, they would certainly ditch the idea. The only problem is that that would be simply too embarrassing—but the people who suffer are our and their constituents.

The hon. Member for Ellesmere Port and Neston (Andrew Miller)—or should I say for Ellesmere Port, Neston and LMS; if the company has not been mentioned in the House of Commons before, it will be pleased with its number of mentions in this debate—suggested that we found it laughable that jobs might be lost. The suggestion that hon. Members of any party would think that someone losing their job was a laughable matter is horrific. What is laughable is the belief that sustainable jobs are created by overburdening Government regulation. The Government set up HIPs and encouraged people to get the qualification, which was demanded not by the market but by the EU and Government bureaucrats; those jobs were not sustainable. If there was laughter on the Conservative Benches, it was due to the lack of a grip of basic economics rather than the terrible situation of the LMS employees, who I am sure are trying to make a good job of a very bad situation.

6.28 pm

**Robert Neill** (Bromley and Chislehurst) (Con): This debate has been lively and interesting—particularly interesting to me because HIPs figured large in the by-election that brought me to this House not too long ago. By way of preliminary, I should say that I could not find a single person on the streets of Bromley and Chislehurst who thought that HIPs were a good idea then, and nothing has happened since to suggest otherwise. I spent Saturday morning on the streets of Bromley and Chislehurst, and I might add that the view remained firmly the same. There was, however, a great deal of support for my party's proposal on stamp duty and making home ownership more accessible for first-time buyers.

That said, it is a pretty worrying state of affairs that is indicative, perhaps, of the Government's situation, that the Minister for Housing—*[Interruption.]* I am delighted to see her return to the Chamber, dead on cue. It is pretty worrying that she felt obliged to begin her defence of the Government's policy by recycling a joke that she had told before. That is becoming standard for the Labour party as far as this issue is concerned. With respect, it is indicative of the enthusiasm that Government Front Benchers feel for the policy; it is probably the same enthusiasm there was on the Australian rugby team's flight home. They are trying to defend something that they know does not have any legs.

We have had some useful interventions from Members of all parties, who made specific points based on a great deal of experience and strong feeling, on both sides of the argument. The hon. Member for Chesterfield (Paul Holmes) made a valid and legitimate point at the beginning of his speech regarding the importance of putting the results of the market testing and surveys in the public domain. That links to things that were said later on in the debate. It is quite impossible to have the sort of rational consideration that Labour Members, including the right hon. Member for Greenwich and Woolwich (Mr. Raynsford), called for without putting that information into the public domain. The only conclusion one can draw about why the Government have consistently failed to do so, and why, even after the Minister's speech there is still no timetable for it, is that they know that that evidence will undermine their case. One is forced to ask what they are hiding.

Thereafter, the hon. Member for Chesterfield performed the well-known Liberal Democrat trick of sitting on the fence and getting splinters in uncomfortable places. With respect to him, it is no good simply saying that we wring our hands about the affordability and costs of home ownership for first-time buyers. The simple truth is that our proposals on stamp duty would assist something in the order of nine out of 10 first-time buyers. Until his party comes up with something that would have that degree of impact on first-time buyers, it is better for him not to criticise—at least until he has something constructive to say.

**Paul Holmes:** I wonder whether the hon. Gentleman could explain in some detail exactly how he would refute the arguments of the economists in *The Daily Telegraph* on Monday who said that the Conservatives' proposals would drive up house prices to the detriment of first-time buyers, and not help them at all.

**Robert Neill:** It is often said that if one puts any number of economists from end to end, one can get a different answer for each day of the year, and probably each hour of the day. The average first-time buyer would save about £1,700. That is real money and a real saving, and until the hon. Gentleman comes up with a real answer, there is not much point in having the argument.

**Mr. Betts:** With respect to the hon. Gentleman, he did not answer the question. Has he got any evidence at all from any independent experts—we know that his party is very fond of those—showing that there will be no impact on house prices by cutting stamp duty in the way he proposes?

**Robert Neill:** If we assist and encourage first-time buyers, of course that will be beneficial to them. It is a

bit rich for Labour Members to talk about independent evidence when, as I pointed out, they are the ones withholding independent evidence on this issue.

**Mr. Walker:** My hon. Friend is absolutely right. Our party is talking about giving £1,700 back to first-time buyers. Your party is talking about taking hundreds and hundreds of additional—

**Madam Deputy Speaker (Sylvia Heal):** Order. I will not be referred to and drawn into this debate.

**Robert Neill:** Thank you, Madam Deputy Speaker. I am grateful for my hon. Friend's point, which is, as ever, well made.

I know that the right hon. Member for Greenwich and Woolwich, for whom I have every personal respect, feels passionately about this issue, and he has been very much involved with it. I have to say that I come to a different conclusion from him. He knows that, and it will not come as any great surprise. It was interesting that he made the point, which is perfectly true, that to start with, the home condition reports were at the heart of this scheme. His gripe is really with his own Government on this matter. The reality is that once the Government scrapped the home condition reports, they took the heart and guts out of the scheme and made it an empty shell. If he has an understandable grievance, it lies with his Front Benchers rather than anyone else here.

My hon. Friend the Member for Poole (Mr. Syms), who again has great knowledge and experience in these matters, made a thoughtful and constructive speech, and I was grateful to him for the points he made. As someone who comes from London, I especially take on board his point about making better use of existing stock. The right hon. Member for Greenwich and Woolwich and I were having a discussion about that elsewhere earlier on today, and it is a timely reminder of the importance of that issue.

With respect to the hon. Member for Ellesmere Port and Neston (Andrew Miller), he appears to have a slightly schizophrenic view of the market. He said that the housing market was free but urged more regulation on some matters. My hon. Friends have already made the point that the market cannot be efficient if it is over-regulated.

My hon. Friends the Members for Broxbourne (Mr. Walker), for Bridgwater (Mr. Liddell-Grainger) and for Harwich (Mr. Carswell) made useful and well-thought-through contributions. The hon. Member for Sheffield, Attercliffe (Mr. Betts) is one of the last remaining true believers in HIPs. It is touching to watch him and the right hon. Member for Greenwich and Woolwich trying to defend that line.

An air of unreality pervaded several contributions from Labour Members. Some interventions from hon. Members who are not now present suggested that they had never looked at a set of deeds. Trying to rubbish our proposals for first-time buyers does not therefore hold water, as any trainee solicitor would tell them. It is as simple as that. I was grateful to my hon. Friend the Member for Rochford and Southend, East (James Duddridge) for his observations. He prayed in aid a gentleman whom we both know to be a respected member of his profession—someone who has probably seen far more deeds than most of the parliamentary Labour party and therefore speaks with rather more authority on the topic.

**Mr. Liddell-Grainger:** It is also notable that the mortgage lenders, solicitors, banks and everybody who is involved in house-buying are anti the scheme because they know full well that it is unsustainable. As time goes on, it gets increasingly complicated and the Government get into more of a mess.

**Robert Neill:** My hon. Friend is right. The Government are culpable for the effect on the market—no amount of flannel gets around the destabilising effects—and for the position of those who bought a pig in a poke and took a commercial risk by setting up firms as HIPs providers. I regret the fact that the Government misled them, but that is what happened. If there is, regrettably, a commercial consequence to abandoning the scheme—which will doubtless happen in due course—the Government must shoulder the responsibility for leading them up the garden path. We will take no lectures on that from Labour Members.

Every supporter of the scheme has crept away from it. It is a little like the Haydn symphony in which all the musicians blow out their candles and disappear, with only one left at the end—two in the case that we are considering. Even the Consumers Association, which was originally a great supporter of the scheme, makes the point that, without the home condition report, it

"will be a useless but a very expensive waste of time".

That comment was made by the Government's chief ally in the initial stages.

The Government have not allowed the House to scrutinise the secondary legislation adequately or revealed any of the material on which we could reach a considered view. The House did not get a chance to consider and vote on the extension to three-bedroom homes until after the measure had been pushed through. Why are the Government scared to put the material before us? It is because the emperor—even the rather new emperor—has no clothes. It is surprising that the Government did not take the opportunity of a change of some personnel in the Department to bury the scheme before it became an embarrassment to them. That is their error because we do not intend to let them off the hook.

The tragedy is that HIPs are a distraction from the real task of creating houses. They will not get a single new home built for anyone. They are a side show of the worst and most dogmatic kind.

**James Duddridge:** Is my hon. Friend as worried as I am that some elderly people in large houses, who would otherwise consider downsizing, thus putting more accommodation on the market for hard-working families, will not do that because of the complexity of the proposed legislation, which will do the opposite of what the Government suggest?

**Robert Neill:** My hon. Friend makes a valuable point. It is all very well for Government Members to laugh—perhaps they should go and speak to some elderly householders. I know that my hon. Friend does in his constituency, as I have in mine, where we have

*[Robert Neill]*

exactly the same situation. The scheme is a potential block on mobility. It is in the interests of the efficient use of the housing stock to remove barriers to mobility rather than imposing extra costs.

The debate comes back to that air of unreality, which suggests that somehow there is a free lunch and no cost to the scheme. Ultimately, the cost of the HIPs is going to be passed on. Never mind where it falls legally, at the end of the day it will be passed on in the transaction costs one way or another. HIPs are another barrier to home ownership. We shall sweep that barrier away and, with our stamp duty proposals, remove a separate significant barrier.

**Mr. Betts:** The hon. Gentleman is talking about costs. Will he identify a single cost in the HIP arrangement that would not have to be met as part of the buying and selling system for houses under the previous arrangements? All the costs, on the searches and the energy performance certificate, would have to be met anyway.

**Robert Neill:** What about the duplication of surveyors' fees for a start? The hon. Gentleman ought to understand that—his party is good at double counting. He should have recognised that when it was coming.

The simple truth is that the Government seem to be wedded to a piece of dogma, when all the evidence goes to the contrary. It flies in the face of belief that the Government should have the gall to rubbish anyone who happens to disagree with them as being a vested interest, yet be perfectly happy to pray in aid those who might have a vested interest on the other side. That is not honest politics.

**Mr. Raynsford:** As the hon. Gentleman is interested in double counting, will he tell the House what the costs are to the individual who is unable to proceed with a house purchase because it falls through after he or she has commissioned surveys and searches and paid legal fees, when those costs are all aborted? What is the hon. Gentleman's party going to do about the £1 million a day that is lost by consumers because of the inefficiencies in the current system?

**Robert Neill:** The sadness is that the right hon. Gentleman forgets that the scheme that he was so fond of does nothing about gazumping or those vendors who do not have the wherewithal. Those costs are an element of the flaws in the current scheme.

The Government's defence is about as credible as when the late George Davis stood up and told the Old Bailey that he happened to be minding his own business walking past the Bank of Cyprus one day, when a chap he had not seen for five years ran past and stuck a sawn-off shotgun in his hand. That defence did not have any credibility as I recall, and neither does the Government's, which is shot through with holes.

**Mr. Walker:** Government Members may think that £400 is not a lot of money, but my constituents think that it is a great deal of money. HIPs are another Labour tax on hard-working men, women and families, so is it not about time that the Government admitted it?

**Robert Neill:** The point is well made and shows the lack of contact between Government Members and the outside world. Yes, for my constituents £300 is a lot of money. The £1,700 to £2,000 saving that we will introduce through the stamp duty reduction is also a lot of money, especially for young couples trying to get on the housing ladder.

**Anne Main** (St. Albans) (Con): The other thing is the disproportionate effect of having to pay the whole cost on people who have shared equity in a home. They might own only part of a home, but they have to pay the whole cost on selling it. That is also a disproportionate cost and possibly stops mobility.

**Robert Neill:** The point is exceedingly well made. Mobility is a key issue, as we have already discussed.

I want to give the Minister time to reply. The Government have stuck to the policy, despite all the contrary evidence, with a degree of rigidity and dogmatism that would have done the Bourbons of 19th century-France proud, and we all know what happened to them. The way the Government refuse to accept reality is like a cross between Pius IX and Chairman Mao's red guards. The tragedy is that the people in this country who find hurdles set in the way of home ownership will have to wait longer than we would wish them to before a Conservative Government can get rid of this impediment to home ownership.

6.44 pm

**The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright):** This has been a fascinating debate. I greatly enjoyed the contribution of the hon. Member for Welwyn Hatfield (Grant Shapps). This is his first Opposition day debate as a Front Bencher, and mine as well. Watching him and the Minister for Housing clash was rather like watching Hartlepool United thrashing Lincoln City 5-2 last night, with my right hon. Friend as the hat-trick hero Joel Porter. I am afraid that we are not going to see a Tory victory here this afternoon—rather like in Ealing.

The hon. Member for Welwyn Hatfield said that HIPs were harshly implemented, and another hon. Member who is no longer in the Chamber said that their implementation had been botched. In fact, we have seen a smooth and measured roll-out of the process on three and four-bedroom properties since August. I can do no better than quote a number of people who have been involved in the process. Tim Barton, of the estate agents Drewett Neate, said on 24 August:

"We have encountered no problems with the provision of the packs. Our provider was ready and there have hardly been any teething problems. The reality is that the introduction has gone so smoothly that it has hardly been noticed...I can quote two cases already where the registered title element has revealed what could have caused major difficulties later on. In one, the registered boundaries were significantly different from those told to us by the vendor and in the other the property was covered by restrictions the vendor was not aware of. HIPs are already

proving their usefulness and two sales that might have hit the buffers later on have been put on the right tracks from the start. Now that people are becoming aware of HIPs, they are accepting them as a legal requirement that's part of the property transaction process and see them as a very minor additional cost to the expensive business of moving. Most basic HIPs only cost around £300 plus VAT, a little more for leasehold or larger properties. Better information upfront and more clarity for the whole process has to be a good aim."

**Anne Main:** Will the Minister give way?

**Mr. Wright:** No, I will not, because the hon. Lady has not been in the Chamber throughout the debate.

To give the lenders' viewpoint, Jeremy Russ, head of marketing for Beacon Homeloan Group, says:

"From our point of view, these products could have a hugely positive impact on the house buying process if they actually stop property transactions falling through".

**Mr. Walker:** If the Minister does not think that £400 is a lot of money, what does he think is a lot of money?

**Mr. Wright:** The hon. Gentleman has made this point a number of times during the debate. Three hundred pounds is a lot of money, but that is already being paid in the house buying process. HIPs will stop duplication, improve efficiency and ensure that the house buying process is smoother than it would otherwise have been.

**Mr. Walker:** If the increase in cost is marginal, where is it coming from?

**Mr. Wright:** I shall deal later with energy performance certificates, which were sadly lacking from Opposition Members' contributions this afternoon.

HIPs will help to reduce the risk of problems emerging later—the problems that can cause chains to collapse, wasting money, time and energy—by providing timely information such as local searches at the beginning of the home buying process.

The hon. Member for Welwyn Hatfield tried to give the impression that the housing market had come crashing to a halt with the introduction of HIPs, but that is simply not right. If the evidence were consistent with the Opposition's argument, we would have seen a high jump in the number of properties being put on the market in June and July—much higher than in the comparable period last year—prior to the introduction of HIPs for four-bedroom properties, and it would have been followed by a sharp fall in August. That did not happen, as my right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) pointed out when he most effectively exposed the Opposition's economic illiteracy.

**Mr. Liddell-Grainger:** I read out the statement from the Royal Institution of Chartered Surveyors, which showed that house buying had dropped. That was its latest statement. Would the Minister care to comment? Has it got its figures wrong? Are the Government saying that it has done its survey incorrectly?

**Mr. Wright:** No, I am saying that most serious commentators are clear that interest rate changes, house prices, stock market uncertainty, concerns about sub-prime lending across the Atlantic and the Northern Rock issue have determined the housing market over the summer. Against that background, it is to be expected that property owners might think twice about putting their property on the market, and that buyers might think twice before making substantial investments.

I can do no better than quote Martin Ellis, the Halifax chief economist, who said on 15 September:

"The market remains underpinned by sound fundamentals. The UK economy continues to expand at a robust pace, employment is at a record high and supply is tight. These factors are the drivers of the market and will continue to support house prices."

The hon. Members for Welwyn Hatfield and for Broxbourne (Mr. Walker) mentioned the link between the revaluation of council tax and the introduction of HIPs. This conspiracy theory is complete claptrap. I look forward to debating with those hon. Gentlemen at some future date the equally credible notion that John F. Kennedy and Elvis are living together on the moon. It is a complete fantasy and an example of Conservative party scaremongering.

I also want to deal with the "No way to 10k" quote of the hon. Member for Welwyn Hatfield. The hon. Member for Bromley and Chislehurst (Robert Neill) said that this gag has been used before, but a good gag is a good gag and I will continue to use it. I quote from "inside housing", I believe:

"No way to 10k is not actually about 10,000 homes. It just happened to rhyme."

I am a proud member of the Government and of the Labour party, but my hon. Friend the Member for Wolverhampton, South-West (Rob Marris), who is no longer in his place, suggested another rhyme. I bear no responsibility for this appalling piece of poetry, but instead of "No way to 10k", it should be, "Hip, hip, hooray; let's have 6k"—*[Interruption.]* I was about to say that bad poetry seems to cross the House.

In contrast to the hon. Member for Welwyn Hatfield, the hon. Member for Chesterfield (Paul Holmes) made a welcome and encouraging speech, for which I am grateful. We are monitoring the impact of HIPs, as he suggested, and we will continue to do so. We are meeting stakeholders later this week to continue that approach and my right hon. Friend the Minister and I are most willing to meet the hon. Gentleman to continue to update him and his party. I hope that that will encourage him and shape his voting intentions later this evening.

**Paul Holmes:** I thank the Minister and welcome his comments about inter-party talks, but do the Government have any plans to return to the House in one or two months to update us about their review? What is the time scale?

**Mr. Wright:** The Government's intention is always to keep the House informed. The hon. Gentleman raised serious questions about roll-out and related detailed issues. I can confirm that the average time taken to produce a HIP in September was four to five days and that the average cost of the HIP was, in contrast to the Conservative party's scaremongering figure of £1,000, only £300 to £350 plus VAT. More than 102,000 energy

*[Mr. Iain Wright]*

performance certificates have been lodged since 1 August and the average time taken to produce an EPC is between 2.5 and 4 days.

The whole House will accept that the knowledge of my right hon. Friend the Member for Greenwich and Woolwich in this area of policy is second to none, and I pay tribute to his articulate speech tonight. He mentioned how inefficient, archaic and often duplicatory procedures were costing customers £1 million a day. He knows that home buyers and sellers have repeatedly stated that they find the process confusing, stressful and opaque. That point was also well made by my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts).

Many people complain about the lack of information on what is probably one of the biggest transactions of their lives. HIPs have rightly been seen as a first step in the process of reform. They provide an opportunity to improve the lot of home buyers and sellers. They are bringing greater transparency and competition into home buying and selling and, for the first time, energy ratings on homes are part of the energy performance certificate.

I greatly enjoyed the contribution of the hon. Member for Bridgwater (Mr. Liddell-Grainger), who is a real gentleman and an accountant. We do not have enough accountants in the House, in my opinion. He said that the whole process was, if I quote him correctly, sneaked out, but that clearly was not right. In her statement to Parliament on 22 May, my right hon. Friend the Member for Bolton, West (Ruth Kelly), then Secretary of State for Communities and Local Government, announced that the start date for home information packs would be 1 August and said:

"We will extend to smaller properties as rapidly as possible, as sufficient energy assessors become ready to work. As we see the number of accredited assessors rise, so more properties will be included in the system."—[*Official Report*, 22 May 2007; Vol. 460, c. 1108.]

The decision set out in August therefore implemented that parliamentary announcement. Revised regulations were also laid before Parliament on 11 June, following the commencement order for four-bedroom property sales on 8 June. We also published a statement on 11 June setting out the details of the implementation proposals. It is therefore simply untrue to say that the process was sneaked out.

The hon. Member for Poole (Mr. Syms) made some extremely fine points, and made good use of his experience on the 2003 Housing Bill Committee. I disagreed with almost everything he said, but he said it beautifully and with eloquence. His contribution improved the quality of the debate. His point about existing housing stock that is not in the market was pertinent and well made. I would like to reflect further on that and discuss it with colleagues. If I have time, I shall mention related points later. His point about local authority involvement in producing some sort of energy rating is somewhat at odds with the position of Conservative Front Benchers, but I welcome his contribution.

I find it astonishing that something as important as energy performance certificates merited seven words in the Opposition's motion, and that hardly any Opposition Member mentioned the importance of EPCs, with the exception of the hon. Members for Bridgwater and for Rochford and Southend, East (James Duddridge). In an intervention, the hon. Member for Scarborough and Whitby (Mr. Goodwill) suggested that people could use gas bills to cut carbon emissions. I admire and like the hon. Gentleman, who has close links with Hartlepool, but I found his comments extremely complacent. Ed Matthew, Friends of the Earth climate campaigner, has said:

"The Government is to be warmly congratulated for keeping its nerve and expanding the adoption of Energy Performance Certificates. Critics would do well to remember that without them there is absolutely no hope of making significant progress on low-carbon homes and tackling climate change. This is not red tape but real information that will help people to find out what they can do to make their homes energy-efficient."

That quote is backed up by the evidence and expectations of real people. YouGov research confirms that our approach is right: 71 per cent. of people want more information about the energy efficiency of the home they are buying; 77 per cent. said that it would influence their decision to buy; and nearly half, 47 per cent., said that they would make their home more energy efficient if they had more information. If only one fifth of homeowners made the basic changes set out in their EPC, they could save about £100 million a year on their energy bills, and cut carbon emissions equivalent to taking 100,000 cars off the road. That is precisely why all the green groups agree that HIPs with EPCs will help families to cut their fuel bills and help to reduce the 27 per cent. of carbon emissions that come from our homes. The Conservative party does not seem to agree, however, and I am disappointed by that.

My hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller) made a great speech, standing up for businesses in his constituency, and there is nothing wrong with that. He highlighted the importance of employment and the need to reduce costs in the home-buying process.

Interestingly, the hon. Member for Broxbourne advocated an 11-month parliamentary recess. He praised the current housing market, which is largely a result of the decade of economic stability presided over by this Government. He seemed to forget that bit. He also failed to mention the negative equity, 15 per cent. interest rates and record repossessions—

**Mr. Patrick McLoughlin** (West Derbyshire) (Con) *rose in his place and claimed to move*, That the Question be now put.

*Question*, That the Question be now put, *put and agreed to*.

*Question put accordingly*, That the original words stand part of the Question:—

*The House divided:* Ayes 166, Noes 363.

**Division No. 206]** **[6.59 pm**

**AYES**

| | |
|---|---|
| Afriyie, Adam | Baldry, Tony |
| Ainsworth, Mr. Peter | Barker, Gregory |
| Amess, Mr. David | Baron, Mr. John |
| Ancram, rh Mr. Michael | Bellingham, Mr. Henry |
| Atkinson, Mr. Peter | Bercow, John |
| Bacon, Mr. Richard | Binley, Mr. Brian |

Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burt, Alistair
Butterfill, Sir John
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Conway, Derek
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Herbert, Nick
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maples, Mr. John
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paisley, rh Rev. Ian
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

**Tellers for the Ayes:**
**Mr. Richard Benyon and Mr. Crispin Blunt**

## NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Beith, rh Mr. Alan
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clegg, Mr. Nick
Clelland, Mr. David
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Featherstone, Lynne
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian

Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kramer, Susan
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Riordan, Mrs. Linda
Robertson, Angus
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

**Tellers for the Noes:**
**Claire Ward and Liz Blackman**

*Question accordingly negatived.*

*Question*, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):—*

*The House divided:* Ayes 347, Noes 169.

**Division No. 207]** **[7.14 pm**

**AYES**

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin

Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brake, Tom
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clegg, Mr. Nick
Clelland, Mr. David
Coaker, Mr. Vernon
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Featherstone, Lynne
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
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Kennedy, rh Jane
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Marshall-Andrews, Mr. Robert
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McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
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Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin

Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

**Tellers for the Ayes:**
**Claire Ward and Liz Blackman**

**NOES**

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burt, Alistair
Butterfill, Sir John
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Conway, Derek
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Osborne, Mr. George
Paice, Mr. James
Paisley, rh Rev. Ian
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

**Tellers for the Noes:**
**Mr. Mark Lancaster and Mr. Peter Atkinson**

*Question accordingly agreed to.*

*Resolved,*

That this House believes that the ongoing reform of the home buying and selling process should revolve around the interests of the consumer and environmental sustainability; considers that the most important thing for the housing market is macroeconomic stability including sound public finances; therefore further believes that unfunded tax cuts including on stamp duty would be irresponsible; further believes that increased house building to deliver more affordable homes is essential to help first time buyers; further considers that the introduction of Home Information Packs and Energy Performance Certificates can improve the process of home buying and selling for consumers and provide them with vital information about the energy efficiency of homes and practical suggestions about how to cut fuel bills and reduce carbon emissions; and notes that the Government continues to work with industry to consider further reform of the home buying and selling process in order to maximise the benefits for consumers.

**Mr. Alistair Carmichael** (Orkney and Shetland) (LD): On a point of order, Madam Deputy Speaker. Have you received any indication from the Secretary of State for Environment, Food and Rural Affairs that he intends to come to the House to correct what he said on Monday in his statement on foot and mouth? He said that compensation schemes in Scotland would be

the responsibility of the Scottish Government. That is not correct; there is a 1999 concordat between the Department for Environment, Food and Rural Affairs and the Scottish Executive, and the Scotland Act 1998 (Concurrent Functions) Order 1999 states that responsibility for compensation lies with the Secretary of State. Surely he should return to the House to explain what he intends to do to compensate Scotland's livestock industry for the negligence of his Department.

**Madam Deputy Speaker (Sylvia Heal):** I hear what the hon. Member says, and Members on the Treasury Bench will have done so, too, but I am in no position to respond in the affirmative to his point.

**Nick Herbert** (Arundel and South Downs) (Con): On a point of order, Madam Deputy Speaker. In May, the Government announced an organisational review of the Ministry of Justice. It is a fundamental review, and today the Ministry's permanent secretary issued an update on that review, which could result in the splitting of the Ministry and in major changes to the National Offender Management Service. That update was given not to the House, and not by a Minister, but through an announcement on a website. What guidance can you give me about the appropriateness of that, bearing in mind the fact that the Ministry of Justice is charged with delivering the Prime Minister's declared agenda of strengthening Parliament and the ability of the House to hold the Government to account? Is it not quite wrong that the statement was made by the permanent secretary, and on a Government website?

**Madam Deputy Speaker:** As the hon. Member will know, the Speaker expects Ministers to make statements to the House. Members on the Treasury Bench will have heard what the hon. Gentleman said. I can add nothing further to that.

## DELEGATED LEGISLATION

*Ordered,*

That the Housing Act 2004 (Commencement No. 9) (England and Wales) Order 2007 (S.I., 2007, No. 2471), dated 17th August 2007, and the Secure Training Centre (Amendment) Rules 2007 (S.I., 2007, No. 1709), dated 13th June 2007, be referred to a Delegated Legislation Committee.—*[Siobhain McDonagh.]*

## NORTHERN IRELAND GRAND COMMITTEE

*Ordered,*

That—

(1) the matter of Youth Offending in Northern Ireland be referred to the Northern

Ireland Grand Committee;

(2) the Committee shall meet at Westminster on Tuesday 23rd October at half past

four o'clock; and

(3) at that sitting—

(a) the Committee shall take questions under Standing Order No. 110 (Northern Ireland Grand Committee (questions for oral answer)), and shall then consider the matter referred to it under paragraph (1) above;

(b) the Chairman shall interrupt proceedings not later than two and a half hours after the commencement of proceedings on the matter referred to the Committee; and

(c) at the conclusion of those proceedings, a motion for the adjournment of the Committee may be made by a Minister of the Crown, pursuant to paragraph (5) of Standing Order No. 116 (Northern Ireland Grand Committee (sittings)).—*[Siobhain McDonagh.]*

## PETITION

# Family Justice System

7.30 pm

**John Hemming** (Birmingham, Yardley) (LD): I have an example of egregious behaviour by the family justice system to present.

The petition states:

The Petition of a British Citizen

Declares that a Local Authority has recently told a mother that she will not be allowed contact with her adopted child if she continues to protest outside the Family Court.

The Petitioner therefore requests that the House of Commons urges the government to legislate to prevent Local Authorities from using control over contact with their children to prevent parents from protesting about the unfairness of the Family Justice System in England and Wales.

And the Petitioner remains, etc.

*To lie upon the Table.*

## Proposals for a Written Constitution

*Motion made, and Question proposed,* That this House do now adjourn.—*[Siobhain McDonagh.]*

7.31 pm

**Keith Vaz** (Leicester, East) (Lab): I am most grateful to you, Mr. Deputy Speaker, for allowing me the opportunity to raise the Government's proposals on a written constitution in this Adjournment debate. This debate follows on from the debate on 22 May initiated by my hon. Friend the Member for Nottingham, North (Mr. Allen) in the light of the then Chancellor of the Exchequer's commitment to introduce a constitutional reform Bill.

I am delighted to see the Minister of State, Ministry of Justice, my hon. Friend the Member for North Swindon (Mr. Wills), on the Front Bench. His willingness to consult as widely as possible with the public and key groups on the issues of British identity and constitutional reform is well known, and I am pleased that he has been given responsibility for this very important matter. I hope that my hon. Friend will be able to provide the House with greater detail since the Prime Minister's statement on constitutional reform on 3 July. I know that the House is keen to know how we can progress towards a British Bill of Rights and Responsibilities and possibly a written constitution. Some consider matters of constitutional reform dry subjects for academic lawyers. I disagree. I believe that this is one of the most exciting areas of Government policy and I am sure that the Minister agrees.

This issue is of course part of a historic process of constitutional reform that began on this island almost 800 years ago with the Greater Charter of Freedoms—the Magna Carta—codifying the rights of the individual against the power of the state. Even today, the Magna Carta informs current key political debates, and I am sure that the Minister has a copy of it with him for this debate.

The Charter speaks to us through centuries of history. Its 29th clause states:

> "No Freeman shall be taken or imprisoned. .or be outlawed, or exiled, or any other wise destroyed...We not pass upon him, nor condemn him, but by lawful judgment of his Peers, or by the Law of the Land."

I apologise for the lack of political correctness, but it is a direct quotation from the Magna Carta.

That principle, which this country has defended against internal and external threats for centuries, is still a matter for profound political debate. Only yesterday, the Metropolitan Police Commissioner, Sir Ian Blair, appeared before the Home Affairs Committee, which I have the privilege of chairing, to make the case for powers to detain people before charge for more than 28 days. That is one of the many issues that, as I will outline, lead me to be a strong supporter of a single Bill of Rights and Responsibilities. How do we ensure that this issue is discussed not only by the elite, but by representatives of groups from all over the country?

Constitutional reform has been one of the major achievements of the Government since 1997—devolution to Scotland, Wales and Northern Ireland, a Mayor and Assembly for London, the process of removing hereditary peers from the House of Lords, the creation of a Ministry of Justice, the creation of a Supreme Court, the creation of a body to appoint judges independently, and the incorporation of the European convention on human rights via the Human Rights Act 1998. This has been the collective work of the Government. However, I should like to recognise in particular two Ministers who have been at the forefront of the process—Lord Irvine of Lairg and Lord Falconer of Thoroton, who were both distinguished Lord Chancellors.

All these reforms have been substantive changes to our unwritten and ancient constitutional tapestry, and have been remarkably successful. Even more remarkable is the lack of attention that these reforms attracted. That is, perhaps, a measure of their success. It is difficult to imagine rolling back devolution or re-installing the hereditary peers, although I understand that the Conservative party is committed to scrapping the Human Rights Act, despite presumably remaining part of the European convention on human rights.

The convention is one of the greatest accomplishments of the finest British legal minds. While some look back to regressing into a constitutional settlement that never was, the Government and the Prime Minister are right to look forward to continuing the path towards constitutional modernisation. In his first major statement to the House, the Prime Minister proposed a number of constitutional changes to improve our democracy and governance. These reforms include the removal of the royal prerogative in 12 areas, including the power to declare war, appoint judges and even choose bishops. Parliament should warmly welcome its empowerment on these and other key issues.

However, my focus in this debate will be the suggestion by the Prime Minister that we move away from our largely unwritten constitution and towards a single document that codifies the rights and responsibilities of those living in Britain. With reference to other countries with unwritten constitutions, I understand that only New Zealand, Canada and Israel share the United Kingdom's status.

I am a strong supporter of such a document. Britain's last Bill of Rights was forged in 1689. For the 17th century, it was a remarkable text limiting the powers of the monarch and setting out the great freedoms that we as citizens still enjoy today, such as the freedom from cruel and unusual punishments, the freedom of speech in Parliament, the freedom from taxation by royal prerogative, and the freedom to elect Members of Parliament without interference from the sovereign. These were great and fundamental freedoms, of special importance to the development of the House, but more than 300 years have passed and it is time for a new Bill of Rights, such as a Bill of Rights and Responsibilities, and for us to take the steps towards a full written constitution.

The people of Britain hold a great sense of civic purpose, but it is not clear enough to the individual where his or her rights and duties lie, and where the Government's begin. In an age of concern about antisocial behaviour and crime, we need a document embodying the guiding values that we share as a nation. Above all, a constitution would clarify not only the collective power of the Government, but the powers

of a neighbourhood, community group or family to correct antisocial behaviour. We are all stakeholders in civic society on a national, regional, local and street level. A fear is expressed in the tabloid media that the European convention on human rights is an alien document and a danger to our country. It is time to incorporate the European convention on human rights into a British written constitution, in effect bringing the convention back home.

A constitution would allow British citizens to point to a single document containing the values, principles, rights and responsibilities that all in Britain must follow. It could be used to provide new British citizens from other countries with a sense of British identity and an understanding of British values, which is close to the heart of the Minister who has campaigned on the issues of identity and Britishness for many years.

A constitution would state the responsibilities that go alongside those rights. To take the classic example, it would make it clear that the right to free speech goes alongside the responsibility not to incite racial hatred between groups. Beyond that, a single document could encompass the reforms, which have occurred and which will continue to occur, to our constitution. We have been fortunate that in recent memory our parliamentary process has not had to face strains and extremism that other countries have experienced to their detriment.

My right hon. Friend the Member for Blackburn (Mr. Straw), who is the Lord Chancellor and Secretary of State for Justice, has announced the consultation with the British public, and he has said it will begin in the autumn as requested by the Prime Minister. I am sure that his consideration of the great range of opinion will be examined carefully and thoroughly. In a recent *New Statesman* interview, however, he ruled out an actual written constitution in the short term:

> "I'm not against a written constitution, but I think you've got to get the building blocks in place before you get there."

The Minister has been entrusted—in my view rightly—with the onerous responsibility of putting those important building blocks in place. Although I am keen to ensure that there is no unnecessary foot-dragging in planning the way forward on such a radical innovation for the United Kingdom, I agree with the principle that the process should not be rushed before the public, the political establishment and, above all, the machinery of government are ready for such a change. It is vital that we take the British people with us.

The consultation process is not the most important issue. I have just spoken to my hon. Friend the Member for Nottingham, North, who told me that people should e-mail the Minister. Millions of people could e-mail the Minister about what the new constitution should look like, but at the end of the day somebody must edit those suggestions. I hope that the Minister will clarify the key question of who will sit down and edit this great constitutional project. I believe that history proves that a national constitution works most effectively when the ultimate drafters—the wise men and women—hold legitimacy in the eyes of the country. The American constitution, for example, which was forged by the energies of the war of independence, was drafted by high-profile figures of many different political orientations and ambitions, and none, who moved towards a consensus. Even that great constitution was not perfect for a number of reasons—slavery remained—but it endowed legitimacy on a nation that developed a great civil society. That legitimacy is needed today and for future generations. I would be grateful if the Minister were to state who will be involved in the early stages, who will be involved in the later stages and what Parliament's role will be.

In 100 years' time, when many of today's policy debates and manifesto commitments—even talk of a general election on 1 November—are long forgotten, I know that this Government's constitutional reform programme will be long remembered. I believe that that will be the key thing that people remember about these years. Is the Minister ready to be remembered as the Benjamin Franklin of a future British constitution?

The Government have achieved much—with not enough recognition—in bringing Britain's constitution into the 21st century, so I look forward to hearing from the Minister how the Government plan to secure the historic achievement of a written constitution. "We, the people of the United Kingdom, in order to form a more perfect union, establish justice and human rights, ensure domestic tranquillity, provide for the common defence, and promote the general welfare of the British people": those few words are my version of how we should start the constitution. I look forward to hearing what the Minister's version will be.

7.45 pm

**The Minister of State, Ministry of Justice (Mr. Michael Wills):** I congratulate my right hon. Friend the Member for Leicester, East (Keith Vaz) on securing this debate on a very important subject for this House and for the people of this country. He will not be surprised to hear that I share his view on the importance of these issues. He has brought to the debate a wealth of experience and distinguished service to this House and to this Government. I am grateful for the way in which he set out the arguments, because he covered most of the issues that we will have to confront and deal with as we embark on the programme that the Prime Minister set out to the House on 3 June this year.

This is part of a process. Since 1997, the Government have been embarked on a radical programme of constitutional renewal. The next stage, which is set out in the Green Paper, "The Governance of Britain", seeks to forge a new relationship between Government and the citizen and to continue the journey towards a new constitutional settlement that entrusts Parliament and the people with more power. It is important to note that the Green Paper is not a blueprint but a route map that we will navigate in conversation with the British people. We are planning a far-ranging programme of consultation involving a whole range of mechanisms that we hope will produce a settlement which, as my right hon. Friend suggested, will be owned by the British people themselves; it will not be sustainable unless we do so.

My right hon. Friend spent a large part of his speech talking about a Bill of Rights and Responsibilities. The Government remain fully committed to the universal declaration of human rights made by the United Nations on behalf of the free world at the conclusion of the second world war. Those rights are also reflected

*[Mr. Michael Wills]*

in the European convention on human rights and in the Human Rights Act 1998, which brought them back to this country and made them justiciable here. However, times change, and legal norms must be continuously reassessed against changing circumstances. The Government have always said that the 1998 Act was a first step on the journey towards a full articulation of fundamental rights and responsibilities for people in the United Kingdom.

We are now about to launch a debate about how to go forward, focusing on the way in which our commitment to these fundamental rights and responsibilities can help to bind us together and how we can make their application more transparent and accessible to the public. In particular, we wish to explore how we can make more explicit the way in which these rights are mirrored by the duties that citizens owe to the state and to society and the underpinning concepts of proportionality, legitimacy and necessity in the way the Act is implemented. In considering how that might be done, we believe that one possibility would be the passing of a new Bill of Rights and Responsibilities. We will listen very carefully to what people say to us as we embark on the consultation process throughout the country, and we will use the information that we derive from that process to work out an appropriate way of achieving those goals.

Of course, some, like my right hon. Friend, want to go further than that and to ensure that our constitution is fully codified. The campaign for such a written constitution has a long and distinguished history in this country, with many supporters on both sides of the House. Most countries have codified written and embedded constitutions; the United Kingdom does not, for all sorts of historical reasons. Instead, our constitution has four principal sources: statute law, common law, conventions and works of authority. Unlike other countries, since the end of the 17th century there has been no key event, war or revolution that has led to the need for one document setting out the rules that govern the political system and the rights of citizens and Government.

**Keith Vaz:** I am sorry to raise the point during this part of the Minister's speech, but I was interested in his decision to go around the country and meet groups. Does he have any format in mind for those meetings, and will the cities and towns he chooses have a particular profile? It is important that wherever he chooses to go is truly representative of the United Kingdom. Of course, we would love to see him in Leicester.

**Mr. Wills:** My right hon. Friend is right to suggest that we should employ a variety of mechanisms; that is what we intend to do. I shall talk a little more in a moment about the British statement of values and how we intend to realise that.

**Mr. Deputy Speaker (Sir Alan Haselhurst):** Order. May I just say to the Minister that it is helpful if he speaks towards the microphone? Otherwise, those reporting our affairs have some difficulty.

**Mr. Wills:** Of course, Mr. Deputy Speaker, and I will address my remarks to you as well—my apologies.

We shall use a wide variety of mechanisms, such as citizens juries, in which representative bodies of citizens come together to deliberate on particular issues. We intend to use online consultation widely so that people who cannot be part of the physical consultation process for whatever reason will be able to engage fully in debating these important issues. That will apply across the piece. We are consulting widely on the Constitutional Reform Bill, which concerns the surrendering and limiting of the Executive's powers. We will consult on the possibility of a new Bill of Rights and Duties, and consult widely on the British statement of values, to which I shall come in a moment.

I would like to comment again on a point to which my right hon. Friend referred in his remarks. If we are to consider going down the route of a fully codified constitution—something that would be a radical departure from constitutional practice in this country—it is important that we do so on the basis of a settled consensus. That can be achieved only through extensive and wide consultation. If we do not do it on that basis, I fear that it would not be sustainable. It is important that when we embark upon constitutional change, particularly potentially radical change, we should approach it not as an engineer approaches a blueprint, but as a physician, healing what needs to be healed, but not going beyond that. We need to approach the matter with care and caution, but we must recognise that the issue is a live one, and one with which we must engage.

Underpinning everything that we have talked about is our desire to find the things that bind us together as a nation. We have proposed, therefore, the development of a British statement of values. When I say we, I refer to the British people as a whole, not to this Government. The process that we are proposing, as the Prime Minister has made very clear, will not involve the Government—

**Mrs. Eleanor Laing** (Epping Forest) (Con) *indicated assent.*

**Mr. Wills:** Does the hon. Lady wish to make an intervention?

**Mrs. Laing** *rose—*

**Mr. Deputy Speaker:** Order. I am afraid that interventions from the Opposition Front Bench are not permitted in these Adjournment debates. I am sure that the hon. Lady was not seeking to break the convention.

**Mr. Wills:** Thank you Mr. Deputy Speaker. I would be happy to carry on the conversation with the hon. Lady after the debate.

We have made it clear that decisions on whether there should be such a British statement of values, on the form it should take and on the uses to which it should be put, will be taken by a citizens summit. It will be a representative body of British people, probably selected randomly, but demographically representative of the country as a whole. They will deliberate on these

questions and come to a decision, which will then be put to Parliament for the final say.

That brings me to a very important point. In all the proposals that we have introduced that are embodied in the Green Paper, "The Governance of Britain", our system of parliamentary, representative democracy will remain at the heart. My right hon. Friend asked what position Parliament would have in the process, and I can tell him that it will remain absolutely at the heart of it. For all the measures that are being consulted on, and all the measures of direct democracy, we are not proposing to replace our system of representative democracy or go towards in any way a plebiscitary democracy. We believe that our system of representative democracy is fair and effective and it will remain central to the process.

We must recognise that the system of representative democracy, which has served the country well, may need to change for changed circumstances. The British people, their aspirations and political behaviour have changed and it is right and proper that our constitution should adapt to reflect that. It always has done—one of the great virtues of the British constitution has been its flexibility. In the 19th century, it went through enormous upheaval, with three great reforms of the suffrage, which were as radical as our current proposals.

Whatever we do, we shall do it with great care to ensure that our system of parliamentary democracy remains central. We will use almost every method that we can to engage the British people.

**Keith Vaz:** It is fascinating to hear my hon. Friend's comments. Obviously, he must consult the British people first, but is there any particular country, which he has studied or from which he has received evidence or reports of its written constitution, to which he is attracted?

**Mr. Wills:** Clearly, we are studying what has happened in other countries. However, we would not try to replicate other constitutional arrangements in this country because constitutions arise from the specific circumstances of each country. They are products of specific histories and societies. We believe that what we have in this country is specific and unique and we want to formulate our own proposal—and we want the British people to be central in that process—rather than importing practice. However, we have examined ways in which other countries try to engage their populations in constitutional change. For example, we have considered Australia and British Columbia, which conducted an interesting experiment with a citizens summit. In formulating the debate, we will learn from the custom and practice that other countries have adopted, but we need to work out ways in which to adapt specific constitutional mechanisms for ourselves as a people.

My right hon. Friend asked where we would go in the country. I can safely say that we will look everywhere and that we are especially conscious of the importance of Leicester as a representative town. We shall seriously consider conducting at least one event nearby, if not in Leicester. I hope that that satisfies my right hon. Friend for the time being.

We will be able to reveal much more detail in the coming months and I hope that there will be plenty of opportunity to debate those matters in the House. The process will not be short and many of our discussions will take place over not only months but years. We are starting that process and we want to engage parliamentarians in it. Today's debate is rather sparsely attended—I hope that we can get more of our colleagues to participate in future. The debates are important and will inevitably have an impact on the way in which Parliament works.

**Keith Vaz:** My hon. Friend has been generous in giving way. I note from the newspapers that he has decided to give up his ministerial car. I hope that his transport arrangements will enable him to travel around the country.

**Mr. Wills:** I am grateful for the care with which my right hon. Friend follows press coverage of my movements. However, there will be no hindrance to getting around the country. The Lord Chancellor and I will travel around the country, probably by public transport more often than not.

We will try our best to ensure that we reach everybody in this country who wants to participate in the debate. It is not always easy. We want to go beyond the usual voices that contribute to such discussions. We are trying to construct mechanisms to do that and I hope that my colleagues in the House today will participate in the process. We will invite all parliamentarians to join us in the debate. It is not the prerogative of one party, but something that should belong to every Member of the House and every citizen of the country. It is an important process and, if we can do it together on a non-partisan basis, we have a good chance of achieving a radical constitutional settlement, which will serve the country well for many years.

*Question put and agreed to.*

*Adjourned accordingly at one minute to Eight o'clock.*

# House of Commons

*Thursday 11 October 2007*

*The House met at half-past Ten o'clock*

**PRAYERS**

[MR. SPEAKER *in the Chair*]

# Oral Answers to Questions

## BUSINESS, ENTERPRISE AND REGULATORY REFORM

*The Secretary of State was asked—*

### Coal Mining

1. **Paddy Tipping** (Sherwood) (Lab): When he last met representatives of the coal industry to discuss prospects for the deep coal mining industry. [156868]

**The Parliamentary Under-Secretary of State for Business, Enterprise and Regulatory Reform (Mr. Gareth Thomas):** In the past year, Ministers have regularly met coal industry representatives to discuss a range of issues under the auspices of the coal forum, and they will continue to do so.

**Paddy Tipping:** The Minister might be aware that there has been discussion in the coal forum about an indicative figure for coal—a target figure for domestic coal of, say, 20 million tonnes per annum, split roughly between deep-mine coal and open-cast coal. What is his view on that? Does he support it?

**Mr. Thomas:** My hon. Friend gives me the opportunity to pay tribute to the work of the coal forum. We welcome the engagement of all the different coal industry stakeholders through the forum. I am aware of the discussions that my hon. Friend describes. Let me say that we recognise the continuing importance of coal, particularly to electricity generation in the UK. He might be aware that last year coal generated an average of nearly 40 per cent. of the UK's electricity, rising to 50 per cent. at peak prices. As he will know from the energy White Paper published last year, we continue to recognise the importance of coal. I am sure that my right hon. Friend the Minister for Energy will want to discuss my hon. Friend's point with him when he visits.

**Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): Open and deep-cast coal production now barely meet a quarter of total UK demand, and the figure is dropping every year. Regardless of whether demand for coal increases or falls in the years ahead, the truth is that domestic production will continue to fall. Rather than getting caught up in discussions about how to slow the decline in domestic production, should not the Minister's focus be on what will happen to our coal-fired power plants, and on whether the development of carbon capture technology can be accelerated in time to create a new generation of clean coal-fired power stations? Such stations will help to protect us against an over-reliance on gas-fired generation.

**Mr. Thomas:** The hon. Gentleman rightly recognises the importance of carbon capture and storage. As a result, I am sure that he will welcome the announcement made in the pre-Budget report. We see considerable potential for carbon capture and storage and think that it has a significant contribution to make in helping us deal with the carbon dioxide issues that we face; it will also help our energy industry more generally.

**Mr. Dennis Skinner** (Bolsover) (Lab): Is the Minister aware that most remaining privatised coal companies own vast acres of land around their pits? Is he further aware that in recent times some pits have been closed and vast sums made out of them as property? Many of us believe that pits are being shut to make money as property developments. Will the Minister keep a wary eye on the few remaining companies involved in the production of coal? It is important to exploit the huge deposits of coal underground, rather than being concerned about the land on top.

**Mr. Thomas:** I pay tribute to my hon. Friend's long-standing championing of the coal industry. We certainly continue to keep a wary eye on the prospects for the coal industry in the UK. One of the reasons we established the coal forum was precisely to enable ongoing discussions with all the different stakeholders in the coal industry, to understand the pressures on businesses and the attitudes of those who work in the industry, and to make sure that they are properly taken into account in our assessments of its future needs.

**Mr. Michael Clapham** (Barnsley, West and Penistone) (Lab): My hon. Friend the Minister will be aware that the crisis in energy is likely to come between 2012 and 2015, when we will see the simultaneous decommissioning of coal-fired stations and of some nuclear stations. It is therefore important that we ensure that the investment in new technologies is continued; there are, for example, integrated gasification combined cycle and carbon capture and storage projects. The Government are going to help with a demonstration plant, but we need more such plants if we are to ensure that such technology will be available to tackle climate change. If we are to tackle that problem, the transference of such technology has to be involved. Will the Minister ensure that we will be likely to see more than one demonstration plant for carbon capture and storage?

**Mr. Thomas:** My hon. Friend will know that we are working extremely hard not only on carbon capture and storage but on a variety of other low-carbon technologies. We are, for example, seeking a trebling of energy from renewable sources. We recognise coal's contribution to the energy mix, and through a variety of forums, not least the coal forum, we will continue to discuss the UK's future energy needs with all stakeholders.

## Hydrogen

2. **Paul Rowen** (Rochdale) (LD): What funding and other support is available for those businesses working on the use of hydrogen as a fuel. [156869]

**The Parliamentary Under-Secretary of State for Business, Enterprise and Regulatory Reform (Mr. Gareth Thomas):** Available funding includes a £15 million fund operated by my Department for hydrogen and fuel cell technology demonstrations. The Department also funded £6.5 million towards the establishment of a fuel cell and low-carbon vehicle technology centre of excellence based in Loughborough.

**Paul Rowen:** I am sure that the Minister is aware that the Governor of California visited this country recently, and that California has been a champion of the use of hydrogen fuel technology. Hydrogen is being used as a fuel throughout the state of California. What steps is the Minister taking to adopt some of its widespread availability?

**Mr. Thomas:** I heard something about the Governor of California coming to the UK, and I welcome the fact that he has championed not only the potential of hydrogen but further investment to reduce carbon dioxide emissions. We recognise the potential, which is why we set up the fund. I also welcome the initiatives such as those taken by the Mayor of London, who has committed to having 70 public transport vehicles powered by hydrogen sources. I know that the hon. Gentleman has an interest in this matter, and I am sure there will be many exchanges about the future of hydrogen. We recognise its potential, but it is still some way from fulfilling it because of research needs. I hope that the funding that we have committed will help to move the technology forward.

**Mr. Andy Reed** (Loughborough) (Lab/Co-op): My hon. Friend the Minister rightly mentions the institute at Loughborough, and we welcome the announcement of the energy technology institute and the £1 billion that it will bring, which will be focused on Loughborough. He talks about potential, but will he visit Intelligent Energy, a company that has a hydrogen fuel cell motorbike ready for production? We talk about potential, but what can his Department do to assist companies that are ready to produce the vehicles and fuel cell technology that will drive this country forward? We must not just talk about potential but ensure a marketplace for such vehicles.

**Mr. Thomas:** In principle, I am happy to come to Loughborough to meet my hon. Friend and see the company that he describes. In my original answer to the question of the hon. Member for Rochdale (Paul Rowen), I gave two examples of support that is available to move this new technology forward. There are a range of other sources to help us take it forward and I—or perhaps my right hon. Friend the Minister for Energy—look forward to meeting him to discuss those options.

**Angela Watkinson** (Upminster) (Con): In Havering, BP conducted a very successful experiment in the use of liquid hydrogen fuel for single-decker buses that ended last year. The only trouble was that the buses had to come down from the east end of London to Havering, because that is where the fuel was. Does the Minister agree that it is not just a question of the viability of using a different fuel, but of its availability, in order to make experiments environmentally friendly and to encourage businesses to try them?

**Mr. Thomas:** I accept the hon. Lady's point. We need to get to a point where we expand the pilots, which is why I hope she will join me in welcoming the initiative of the Mayor of London to commit to 70 hydrogen-powered public transport vehicles by 2010. Such initiatives will help to move the technology from demonstration projects to reality.

## Nuclear Power

3. **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): If he will make a statement on the progress of the consultation on the future of nuclear power. [156870]

**The Secretary of State for Business, Enterprise and Regulatory Reform (Mr. John Hutton):** The public consultation on the future of nuclear power in the United Kingdom closed yesterday.

Over the past five months, we have consulted widely, seeking views from a broad range of interested parties on the information and arguments set out in our consultation document. We are now giving careful consideration to all the responses.

**Mr. Goodwill:** We have already lost vital time because of the way in which the Government botched this consultation. Will the Minister assure us that he at least has the bottle to make a quick decision on this matter?

**Mr. Hutton:** We need to make a quick decision; I can certainly agree with the hon. Gentleman to that extent.

**Mr. David Chaytor** (Bury, North) (Lab): The latest figures from the Nuclear Decommissioning Authority reveal a 16 per cent. increase in the cost of decommissioning legacy waste, to £73 billion. Is my right hon. Friend confident that he can honour the Government's guarantee that there will be no future subsidy from the taxpayer for any new nuclear build, given that no one has the slightest idea about what the future decommissioning and waste management costs will be?

**Mr. Hutton:** Yes, we are clear about that, and the arguments that support it were clearly set out in the nuclear consultation document. My hon. Friend raises a fundamentally important aspect that has come up repeatedly during the public consultation, but I believe that we have set out the right way forward. There will be no taxpayer subsidy and no hidden subsidies for new nuclear if Her Majesty's Government reach that decision. That is the right and sensible way to proceed.

**Miss Julie Kirkbride** (Bromsgrove) (Con): As the hon. Member for Barnsley, West and Penistone (Mr. Clapham) said earlier, crunch time for domestically generated power in the United Kingdom is only five years away. Bearing in mind how long the Government

have taken to make a decision about nuclear power and that it has to form part of the mix in future if we are to meet our climate change targets, how soon will there be a recommissioned nuclear power station that produces new nuclear energy in the UK?

**Mr. Hutton:** I respect the hon. Lady's concerns, which are shared by all parties. She should, however, be careful about saying that her party has a monopoly of wisdom. I have been carefully studying the words of the hon. Member for Rutland and Melton (Alan Duncan), who appears to take three different positions on nuclear power. He was opposed to it, then it was a last resort and now he is apparently in favour of it. However, we shall shortly discover the position of the official Opposition.

My hon. Friend the Under-Secretary set out in previous answers some of the measures that we are taking to deal with the hon. Lady's point. We are aware of the importance of getting on with the matter, and the Government are determined to do that.

**Charles Hendry** (Wealden) (Con): The Secretary of State wills the end but not the means. Will he confirm that the Nuclear Decommissioning Authority has not been able to appoint contractors to decommission the old Magnox power stations because they are not interested in doing the work at the price that the Treasury is prepared to pay? Is it surprising that companies such as E.ON and EDF say that the window for new build nuclear is closing in this country, when the Government's dithering means that old stations are not being decommissioned, there is no clarity about the price of carbon and the Government cannot even set out the regime for nuclear waste disposal? Does not the greatest threat to our energy security come not from the Russians or the middle east, but from the Government's delays and inability to make the big decisions?

**Mr. Hutton:** No. Again, I have a lot of respect for the hon. Gentleman, but his remarks are ridiculous. His point would be much more valid if there was any consistency or coherence behind his party's energy policy. When he supports our reforms to the planning arrangements, others will take his comments a little more seriously.

## Postal Services

4. **Mr. Andrew Robathan** (Blaby) (Con): What recent developments there have been in Government policy on the long-term future of sub-post offices; and if he will make a statement. [156871]

**The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden):** On 17 May, following public consultation, my right hon. Friend the Secretary of State confirmed, subject to European state aid clearance, funding of up to £1.7 billion until 2011 to support the post office network and place it on a more stable footing.

That Government funding includes a network subsidy of £150 million a year to support the network. Despite that subsidy, because of continued losses of around £4 million a week and a reduction of approximately 4 million a week in the number of people who use post offices, it is necessary, as the Secretary of State announced, to reduce the size of the network while maintaining national coverage. That process began last week and will continue in the next 15 months or so.

**Mr. Robathan:** Notwithstanding the subsidy of public money involved, that answer reveals a paucity of long-term policy and intellectual thought about how we can use that much-loved and much-needed facility, which all our constituents want. Will the Minister confirm that the 77 closures that were announced in the east midlands recently would not have been announced—the announcement would have been held back—if a general election had been called? Will he also confirm whether, when he announces the closures in Leicestershire and Rutland in November, there is any genuine chance of a consultation period that allows some of the closures not to happen? Or will they be enforced?

**Mr. McFadden:** The timing of the programme has nothing to do with general election timing.

There is a balance to be struck between finishing the programme and the uncertainty that hangs over sub-postmasters and mistresses while it continues. We have set out our timetable to try to achieve that balance.

**Mr. Russell Brown** (Dumfries and Galloway) (Lab): I thank my hon. Friend for visiting my constituency last Thursday to see for himself exactly how rural services are being delivered through what was initially a pilot scheme two years ago. Would he care to share the experiences that he had last Thursday with the rest of the House?

**Mr. McFadden:** My hon. Friend is absolutely right. Alongside the difficult closures that are taking place, the Post Office is developing valuable outreach services. I had the pleasure of seeing them in his constituency last week, in the village of Twynholm, for example, where a member of staff from the neighbouring post office visits several days a week for several hours. The hours are well known to local people and the service has been up and running for two years. From talking to members of staff and the customers who use the service, I found that it was extremely popular. There are imaginative and creative ways in which the Post Office can provide services, particularly in rural areas where it might no longer be possible to sustain a full-time permanent post office.

**Mr. Roger Gale** (North Thanet) (Con): One of the Post Office's outreach services, to which the Minister just referred, is the possibility of home visits. When I suggested to the Post Office that it might like to make 3,500 home visits in my constituency, it seemed reluctant to do so. The loss of footfall arises largely from Government policy, which has removed business. Having closed rural post offices, we are now proposing to close urban post offices in some of the most deprived areas of the country, which will do immense social damage. Instead of ramming that proposal through, would the Government care to take it back and consider the proposals that the National Federation of Sub-Postmasters has made to develop

proper businesses, so that instead of killing those small businesses we can allow them to grow?

**Mr. McFadden:** The hon. Gentleman refers to the National Federation of Sub-Postmasters, whose general secretary has said:

"Although regrettable we believe that these closures are necessary to ensure the remaining post offices are able to thrive in the future."

If the Opposition's policy is to reverse making available the payment of benefits into bank accounts, I should remind the hon. Gentleman of the cost. It costs the taxpayer 1p for a benefit or pension to be paid into a bank account. It costs 80p to make that payment through the Post Office card account and £1.80 to do so by girocheque. If the Opposition's policy is to reverse that, the cost would be about £200 million a year, which I am afraid we would have to add to the list of other uncosted spending promises that they have already compiled.

**David Taylor** (North-West Leicestershire) (Lab/Co-op): I declare an interest as a member of a multi-generation sub-post office family in the village where I live. Has the Minister had a chance to read the National Consumer Council report, "Post office closures 2002 to 2006", which was critical of the closures in that period? The post office closures that were announced then did not produce a strategic reshaping of the network; rather, they hit the poorest and most vulnerable members of society. The NCC does not believe that the 95 per cent. requirement for people in rural areas to be within three miles of a post office will be adequate to prevent that from happening again. Would the Minister care to comment on that?

**Mr. McFadden:** I have indeed read the report to which my hon. Friend refers. He is right that there are lessons to be learned from post office closures. The access criteria are important to ensure national coverage even after the change, which is why we are compensating the hard-working sub-postmasters and sub-postmistresses for their efforts. The process does the right thing by them, but also ensures that closures do not happen in an ad hoc way, on a first come, first serve basis that leaves holes in the network without trying to ensure national coverage.

**Sir Robert Smith** (West Aberdeenshire and Kincardine) (LD): Does the Minister not recognise that, once closed, a post office is lost for ever to the community? Those vital services, which are so valued by the community, require the community's input, to ensure that no unnecessary closures are made and that decisions are not made that do the same damage as the urban reinvention programme did to the post office network in urban areas. Will he therefore extend the consultation period, once the Post Office has made its proposals, so that it can be meaningful for local communities and so that any mistakes made by the Post Office can be corrected?

**Mr. McFadden:** The hon. Gentleman asks about extending the consultation period. As I said a few moments ago, there is a balance to be struck in doing that and lifting the uncertainty from sub-postmasters around the country. That is why we have tried to strike the balance in the way we have.

I have certainly encouraged Post Office Ltd to engage properly with local communities. Postwatch, the consumer voice, has a critical role to play in the consultations. Local authorities, too, have a critical role in engaging with Post Office Ltd and informing it of future regeneration plans and so on, so that plans can be made as best as possible. However, we cannot escape the fact that 4 million fewer people a week are using post offices, compared with a couple of years ago, and that the network is losing £4 million a week. We are committed to social network subsidy for the Post Office, and if that subsidy were not available, many more post offices would close. That is why we have committed £150 million a year to support the network.

## Post Office Network

5. **Mr. Andrew Mackay** (Bracknell) (Con): If he will make a statement on the future of the Post Office and Royal Mail. [156872]

12. **Mr. Mark Harper** (Forest of Dean) (Con): If he will make a statement on the future of the Post Office and Royal Mail. [156879]

**The Secretary of State for Business, Enterprise and Regulatory Reform (Mr. John Hutton):** The Government are committed to securing a long-term viable future for Royal Mail and the post office network. To this end we have made substantial investment available both to support the modernisation of Royal Mail and to provide a comprehensive and accessible national network of post offices.

**Mr. Mackay:** How come it took until yesterday for the Prime Minister and the Secretary of State to condemn the Royal Mail strike? Could it have anything to do with the fact that, until the Prime Minister bottled at the weekend, he was expecting lots of funds from the Communication Workers Union to fight the election?

**Mr. Hutton:** That is untrue. I have made it clear repeatedly since I have been in this job that the strikes should end. There has to be a sensible solution to this industrial dispute. My interest is to safeguard the investment that the taxpayer has made in this business and to ensure that the business can operate effectively in the liberalised market in which it operates. It is completely untrue to say that Ministers have been silent. We have made our views known on this matter repeatedly since the summer.

**Mr. Harper:** The Secretary of State rubbishes the point made by my right hon. Friend, but over the past four years the CWU has made political contributions of £4.5 million, half of which has gone directly to the Labour party, with the rest being used for campaigning in the Government's favour. This presents the Secretary of State with a huge conflict of interest, given that the Government are the sole shareholder in Royal Mail and a recipient of funds from the principal union involved.

**Mr. Hutton:** There is absolutely no conflict of interest of any kind whatsoever. I have made it clear repeatedly, as has my right hon. Friend the Prime Minister, that we will always speak up for the public and the taxpayer when it comes to the future of Royal Mail and the Post Office.

**Geraldine Smith** (Morecambe and Lunesdale) (Lab): I do not think that anyone could accuse the Government of doing the CWU any favours—

**Alan Duncan** (Rutland and Melton) (Con): Are you a member?

**Geraldine Smith:** Yes, I am a member, and I am proud to be one.

May I ask the Secretary of State why the Government are refusing to intervene in this dispute, which is costing Royal Mail millions of pounds and inflicting countless damage on hundreds, if not thousands, of other businesses across the country?

**Mr. Hutton:** Let me explain to my hon. Friend that our role in this regard is to speak up for the public and for the taxpayer. We are not going to take sides in this dispute. That is our perspective, and I think that it is entirely proper that the management and the unions negotiate the terms and conditions for people in Royal Mail. I am not, for example, going to intervene to provide further funding to support a different offer to Royal Mail staff. We have given Royal Mail substantial investment, and it must operate within those investments and ensure that the taxpayer gets a return on them. I believe that the offer that has been made to Royal Mail staff is a decent and fair one, and I hope that this industrial dispute ends as quickly as possible.

**Mr. John Grogan** (Selby) (Lab): Given that the Government intervened strongly and energetically to sort out the affairs of a private company, Northern Rock, is there not a case for following that example and adopting a more even-handed approach and acting as an honest broker in this dispute? Should not the Government intervene before breakfast, intervene before lunch and intervene before dinner—in the words of a former Secretary of State for Trade and Industry—to get a fair, just, negotiated settlement, not least in the interests of all the businesses that are suffering at the moment?

**Mr. Hutton:** I agree that there must be a fair, just and negotiated settlement, which is what we believe should happen. I remind him and other hon. Members that in 2001 Parliament—with general consensus and with the agreement of both Royal Mail management and the trade unions—agreed that Royal Mail should operate with commercial freedom. I am not going to get involved in individual discussions on terms and conditions because I do not believe that it is appropriate for Ministers to do so. What I believe is appropriate is that this industrial action should end, as I agree that it is damaging businesses and inconveniencing the public.

**Mr. Douglas Carswell** (Harwich) (Con): Is the Secretary of State aware of the real anger felt by people in my constituency, particularly in Walton, Kirby and Clacton, about the news that their post offices and sub-post offices might be closed? Is he aware that under these proposals post offices that are paying their way, on which many older people depend, could be shut?

**Mr. Hutton:** As the Minister for Employment Relations and Postal Affairs has made clear, there is an obvious case for pressing ahead with these changes. The post office network must find a long-term and sustainable basis for going forward and it has to reflect changing customer preferences, which are visible to all of us in our constituencies. It is inconceivable that any sensible Government could follow the advice of the hon. Member for Rutland and Melton (Alan Duncan) and find up to another £1 billion to subsidise the post office network, which I understand is now his policy. That is simply not economically credible. It is a deep disappointment to me to see the Conservative party, which always used to clothe itself in respectability when it came to financial matters, now displaying utterly hopeless economics.

**Gordon Banks** (Ochil and South Perthshire) (Lab): Will my right hon. Friend confirm whether the current management of Royal Mail has his full confidence in searching for a solution to the present dispute on how it delivers a secure and solid future for Royal Mail, its customers and its employees?

**Mr. Hutton:** Yes.

**Peter Luff** (Mid-Worcestershire) (Con): Does the Secretary of State understand that the questions that he has heard from his hon. Friends today only reinforce the growing view in the country that the Government need to use their authority—as the Government and sole shareholder in the Royal Mail Group—to intervene decisively in the dispute and bring it to an end? The dispute is causing huge damage not just to the Royal Mail Group, but to the whole social and economic fabric of the country. I therefore welcome the Secretary of State's preparedness to come before the Trade and Industry Committee next week—I hope that a date can be organised shortly—to answer questions on the dispute.

**Mr. Hutton:** I always look forward to appearing before the hon. Gentleman's Select Committee and I am sure that this occasion will be no exception. We should bear one important fact in mind: fortunately, we live in a country where no Minister has the power to compel people to work or not to work. I therefore have limited powers in this case, which is obvious to everyone. Our job, I think, is to make it clear to the management and the unions where we believe the public interest lies in this matter. We have done that very clearly indeed.

**Mr. David Drew** (Stroud) (Lab/Co-op): I hear what my right hon. Friend says, but it cannot be helpful when the chief executive of Royal Mail makes the comments that he has about his own work force. Postal workers are greatly depressed about the dispute and its possible outcome. It is outrageous that people who have given their lives to the organisation are now having imposed on them changes in terms and conditions of their work that would be completely unacceptable in other sectors. Is it not about time that the Secretary of State understood what postal workers are suffering and intervened?

**Mr. Hutton:** I have had the very good fortune to discuss these issues with some of my own constituents who work for Royal Mail. I understand their concern about the future, which we all share. However, as I said in an earlier reply, it is important that we have a sensible, negotiated solution to the dispute, which I believe is perfectly possible. I have the greatest respect for staff who work in Royal Mail—we all do; we know what an important and highly valued job they do in our constituencies—but we must not lose sight of the important fact that if Royal Mail is going to succeed in the liberalised marketplace in which it now works, change is inevitable. We must facilitate a process of change, as the status quo is not sustainable. There will have to be changes inside Royal Mail if it is going to have the successful future that we all want it to have. I strongly believe that the best way to progress that is through a sensible agreement.

**Mr. Charles Kennedy** (Ross, Skye and Lochaber) (LD): The Secretary of State will appreciate that an area such as mine has been particularly hammered by the dispute, because of the absolute reliance on Royal Mail not just by individuals but businesses. In welcoming what the Prime Minister said yesterday, may I draw to the Secretary of State's attention the fact that the GP who administers the Small Isles medical practice has told me that people on those islands who have had blood tests cannot now get the results because the method of communication between the regional hospital and those islands is no longer in place? That is a desperately serious state of affairs. Even if the Government cannot intervene in the negotiations over the dispute, could they at least, in concert with the Scottish Executive, consider emergency provisions for people who are medically dependent on that service?

**Mr. Hutton:** I am very grateful to the right hon. Gentleman for bringing that point to the attention of the House, and I will pursue it. We should not forget that in some cases, one of which he has highlighted, the industrial action could compromise a person's life. That is simply unacceptable.

**Mr. David Kidney** (Stafford) (Lab): The letters that MPs get from Royal Mail and the union all say that they want a modernised and more competitive business. If the management and the work force agree about where they want to be, cannot the Government, as the owner of the business, help them to agree how to get there?

**Mr. Hutton:** That is very much what I want to do, and I want to try to make sure that that happens. I hope that there is still sufficient good will for the process to reach a sensible conclusion. Management and the trade unions are talking as we speak, and I hope that a way is found quickly—it must be quickly—to end this damaging dispute, which is compromising the investment that taxpayers have made in the Royal Mail, compromising businesses, inconveniencing the public and, in the worst case scenario, as the right hon. Member for Ross, Skye and Lochaber (Mr. Kennedy) said, threatening the health and well-being of individual citizens, which is unacceptable.

**Alan Duncan** (Rutland and Melton) (Con): Is it not the case that 43 Labour Members have signed an early-day motion expressing implicit dismay at the Secretary of State's apparent indifference to the growing severity of the dispute? At last, today, we have heard rather more from him, which is welcome. The Government are the sole owner, the company must modernise or decay, and businesses up and down the country are being hurt. Given his answer to his hon. Friend the Member for Stafford (Mr. Kidney) that that is the way he wants to go, what further steps will he take to make it clear that union leaders are not acting in the interests of postal workers and that an immediate settlement is in everyone's interests?

**Mr. Hutton:** We will continue to make that point. We have made the point clearly again to Royal Mail management, and this morning I had the opportunity to do so again to the general secretary of the Communication Workers Union. We do understand the severity and seriousness of the situation, we are behaving responsibly as the shareholder in Royal Mail, and we will do all that we can to bring the matter to a sensible conclusion. That must be done on the basis of terms that are acceptable to us as taxpayers and investors in Royal Mail. The Prime Minister set out clearly yesterday the terms on which the dispute should be settled.

**Alan Duncan:** Is not the cruel truth that in their weekly pay packet tomorrow 130,000 postal workers will receive only one day's pay? Will not their understandable fury at the sacrifice that they are making illustrate harshly that they are being seriously misled by backward-looking union leaders and that their future is best protected by supporting positive negotiations and a constructive plan for modernisation?

**Mr. Hutton:** The dispute must have a sensible outcome, as I have made clear repeatedly. I will not get involved in the blame game as the hon. Gentleman has tried to do. It is essential that the dispute be now brought to an end, and the best and only sustainable way in which that can happen is a return to work on the basis of the offer that Royal Mail has made. If there are still points of detail that need to be discussed and debated—I understand that there are—those should be debated in a sensible fashion and not in a way that inconveniences the public as the industrial action is doing.

**Lembit Öpik** (Montgomeryshire) (LD): During my recent visit to Watford sorting office, organised by my colleague Sal Brinton, comments by management and staff indicated that structural restrictions prevent Royal Mail from competing on a level playing field within its own sector. Is the Secretary of State willing to meet me to discuss the underlying structural issues concerning employees and management of the Royal Mail, which may be contributing to the current industrial difficulties?

**Mr. Hutton:** I should be happy to meet the hon. Gentleman, and any other Member who wants to raise those issues with me.

The European Union has now agreed on a long-term framework for the future liberalisation of postal

services, which is very welcome. There can be no turning back of the clock in relation to liberalisation in the United Kingdom—that would be a hugely retrograde step—but we are always willing and ready to discuss with the Royal Mail unions, the hon. Gentleman and other Members any points of detail or concern that they may wish to raise, and I look forward to that.

## Small Businesses

6. **Mr. Philip Hollobone** (Kettering) (Con): What recent estimate his Department has made of the average number of hours a week spent by small businesses on the burden of administration and regulation. [156873]

**The Minister for Competitiveness (Mr. Stephen Timms):** My Department's annual small business survey showed that small and medium-sized enterprises typically spent three hours per week dealing with paperwork in compliance with Government regulations in 2005, down from four hours in the previous year.

**Mr. Hollobone:** As an active supporter of the east Northamptonshire branch of the Federation of Small Businesses, may I draw the Minister's attention to a recent national FSB report which disputes the Government's findings? A survey of its members found that, on average, small businesses nationally are spending as much as seven hours a week filling in forms and complying with the needs of regulators. Will the Minister agree to meet representatives of the FSB and outline ways in which he can address their concerns?

**Mr. Timms:** I meet representatives of the FSB regularly, and I pay tribute to their work. The survey to which the hon. Gentleman referred involved a sample of 100 businesses; the one that I cited involved a sample of 8,000. FSB surveys conducted between 2000 and 2006 show quite a large reduction in the proportion of FSB members dissatisfied with the volume of legislation, and other evidence shows a fall in the number of businesses citing regulations as an obstacle to success. Nevertheless, there is no room for complacency. We need to go further. That is why we are committed to reducing the burden of regulation on businesses by 25 per cent. by 2010, and why the second round of departmental simplification plans will be published in December.

**Rob Marris** (Wolverhampton, South-West) (Lab): May I remind my right hon. Friend that when I asked the hon. Member for Rutland and Melton (Alan Duncan) in the Chamber what regulations the Opposition would abolish he referred to only one—the provision for no smoking signs outside buildings? That was the only one that he could cite.

The question of regulation is, however, a huge one. Will my right hon. Friend assure me that the thrust of the Government's approach to it will focus not on some bonfire of regulations, but on simplification of the regulations that we have? We have overlapping regulations that are excessively complicated. We need simplification, but we still need regulation.

**Mr. Timms:** My hon. Friend is absolutely right. There is, of course, a divergence of views among Conservative Members. The right hon. Member for Wokingham (Mr. Redwood) proposes a bonfire of regulations, apparently with the support of the shadow Chancellor, while the party leader calls for mandatory pay audits of companies.

**Alan Duncan:** That is not true.

**Mr. Timms:** My hon. Friend is absolutely right—

**Mr. Speaker:** Order. The Minister must remember that it is his views that the House wants to hear.

**Mr. Timms:** My hon. Friend is absolutely right. That is why we are presenting the departmental simplification plans, the second round of which will be published in December.

**Mr. Mark Prisk** (Hertford and Stortford) (Con): I hope that the Minister will reflect on the incorrect statement that he has just made.

Small firms are fed up with the loose words and empty promises of Ministers. Let me take the Minister back to six years ago, when the Government introduced regulatory reform orders. We were told then that they would reverse the regulatory tide, but what happened? In six years, Ministers have issued just 33 reform orders and enacted 18,000 more regulations. That is the truth about the effects of RROs.

Given the dismal record of Ministers and their colleagues, may I ask the Minister for regulatory reform one straightforward question? How many regulations has his department scrapped in the last 12 months?

**Mr. Timms:** Let me remind the hon. Gentleman of the point that I made earlier. There is clear evidence that the proportion of businesses citing regulation as an obstacle to success has fallen significantly, from 21 per cent. in 2002 to 13 per cent. in 2005. Concern on the part of small businesses has fallen very sharply, reflecting the progress that we have made. However, we undoubtedly need to do more, which is why we are committed to a 25 per cent. reduction by 2010. Further details will be published in December. We have made very good progress, but there is more to come.

## Energy Tariffs

7. **Mark Lazarowicz** (Edinburgh, North and Leith) (Lab/Co-op): Whether he plans to bring forward proposals to promote the use of social tariffs by energy companies. [156874]

**The Secretary of State for Business, Enterprise and Regulatory Reform (Mr. John Hutton):** Following publication of the energy White Paper, we are working closely with Ofgem and energy suppliers to consider the right way forward.

**Mark Lazarowicz:** My right hon. Friend will be aware that the recent Ofgem report on social tariffs shows that energy suppliers' take-up of social tariffs varies widely. As he knows, there is widespread consensus among non-governmental organisations working on fuel poverty issues that there needs to be much wider use of social tariffs by energy suppliers. He

may be aware that the all-party group that I chair recently produced a report on the issue. Will he agree to meet me and some of the organisations involved in the sector to discuss the way forward and to ensure that the consumer interest is represented in the discussions?

**Mr. Hutton:** I would, of course, be willing to meet my hon. Friend and all hon. Members who were involved in what I thought was a very useful report. It is worth reminding ourselves that there are 2.5 million fewer households in fuel poverty today than there were 10 years ago. I assure him that we are looking closely at how we can deal with the price gap between direct debit and pre-payment meters. We are also looking at easier ways to help pre-payment customers to switch to cheaper supplies. A number of Britain's power companies are doing some excellent work in that area and we need to see how much more we can do.

## Small Businesses

8. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When he next expects to meet representatives of the small firms sector to discuss employment regulations. [156875]

**The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden):** The Department is in regular contact with the small firms sector. The sector is represented on the employment law simplification practitioner panel, which will meet my right hon. Friend the Secretary of State on 31 October. The Department's ministerial challenge panel, chaired by the Minister with responsibility for better regulation, which critically appraises the Department's regulatory and policy proposals, also has representation from the Federation of Small Businesses and the Small Business Forum.

**Mr. Bellingham:** I am pleased to hear that, but does the Minister agree that the two biggest challenges facing small businesses are employment regulations and tax? Has he had a chance to look at yesterday's remarks by Lord Bilimoria, the founder of Cobra Beer and a key Labour supporter? He said that investment in small businesses and entrepreneurship has been penalised by the proposed 80 per cent. increase in capital gains tax, and that it sends all the wrong signals for Government support for small firms. What representations will the Minister make to the Chancellor about that anti-business measure?

**Mr. McFadden:** My advice to the Chancellor would be not to return to the days when the hon. Gentleman's party was in power and the tax was 40 per cent. Britain is still one of the best countries in the world in which to do business. That is backed up by the World Bank, and it is shown by our economic record over the past 10 years. I remind him that there are 500,000 more businesses in existence now than when his party was in power.

**Lorely Burt** (Solihull) (LD): What consideration has been given to the risk management element with regard to removing regulations for small businesses: for example, no smoking signs that are required in one's own home when it is used for business purposes, and even in one's own car when it is used for business purposes?

**Mr. McFadden:** The hon. Lady makes the good point that we must always be alive to making regulations as simple as possible. I remind her that the Government have a very active programme on that. That is why we set a target to reduce administration burdens on business by 25 per cent. by 2010. It is why, around a year ago, a list was published which set out 500 simplification measures, saving businesses some £2 billion in administrative burdens costs. As my right hon. Friend the Minister for Competitiveness said, those simplification plans will be revisited shortly so that even more progress can be made on that agenda.

**Sir Patrick Cormack** (South Staffordshire) (Con): Could the Minister now answer the question that the Minister for Competitiveness failed to answer and tell the House how many regulations have been withdrawn in the past 12 months?

**Mr. McFadden:** I have just given the hon. Gentleman some numbers. We published last December a list of 500 measures that would reduce admin burdens by some £2 billion for business as part of meeting the target to reduce admin burdens by 25 per cent. by 2010.

## UK Competitiveness

9. **James Duddridge** (Rochford and Southend, East) (Con): What measures he plans to take to improve UK competitiveness. [156876]

**The Minister for Competitiveness (Mr. Stephen Timms):** The key to continued long-term improvements in UK competitiveness and productivity will be maintaining the remarkable new stability that has characterised the British economy over the past decade. We will need to continue to build on that foundation, for example, as the Chancellor announced on Tuesday, with continued investment in higher education and skills, in infrastructure and in the science base.

**James Duddridge:** That statement does not match the facts. The Institute of Management and Development, which ranks international competitiveness, ranked Britain ninth in 1997. It now ranks Britain as 20th in its index. Who is to blame?

**Mr. Timms:** The most recent ranking that I have seen is the one referred to by the Minister for Employment Relations and Postal Affairs, my hon. Friend the Member for Wolverhampton, South-East (Mr. McFadden), from the World Bank. It ranks the UK sixth out of 178 countries. The latest global competition review ranks the Competition Commission joint first in the world. The new stability that we have secured is the key to that. We used to be the least stable country in the G7 on the inflation measure. Since 1997, we have been the most stable. That is the key to Britain's new prosperity and to the huge improvements in the economy over the past decade—we are determined to maintain that.

## WOMEN AND EQUALITY

*The Minister for Women and Equality was asked—*

### Pensions

20. **Anne Snelgrove** (South Swindon) (Lab): What policy appraisal the Government have undertaken of the impact of its pension proposals on women by 2020; and if she will make a statement. [156860]

22. **Miss Anne McIntosh** (Vale of York) (Con): What discussions she has had with the Secretary of State for Work and Pensions on provision of pensions for women. [156862]

**The Minister for Women and Equality (Ms Harriet Harman):** The Government have looked carefully at the implications for both men and women when developing our pensions reform proposals. An extensive gender impact assessment was published late last year alongside the Pensions Bill, now the Pensions Act 2007, which mainly focused on state pension reforms. Later this year the Government will present a further Bill with an emphasis on private pension reforms. We will be conducting a gender impact assessment for these proposals, which will be published alongside that Bill.

**Anne Snelgrove:** I am particularly concerned about the many women in my constituency and across the country who have been carers for elderly relatives or for children for many years. They find it unfair that their pension is reduced through this service that they have given not just to their families, but to the whole country. What reassurance can she give these women that they will not face a retirement of poverty?

**Ms Harman:** It is a scandal that, despite the fact that women are caring for children and elderly relatives as well as going out to work, there is a 20 per cent. gap between their income in retirement and that of men. That is unfair, bearing in mind the fact that women are often older pensioners and live much longer. That is why we have taken action to deal with pensioner poverty, as most poor pensioners have been women. We are increasing access to the basic state pension and improving access to occupational pensions.

**Miss McIntosh:** I would welcome any proposals that would encourage more women to save for pensions. Does the right hon. and learned Lady think it is helpful for the Chancellor to do a smash and grab on the state second pension as this will discourage more women from investing in such a pension?

**Ms Harman:** The important thing is for women to have the opportunity to work, as well as having enough time to care for their families. That is why the right to request flexible working and the right to maternity pay and leave have been important, allowing women to stay in the labour market and therefore still earn. When they are in the labour market, it is important that they have decent rates of pay, which is why we are determined to take further action to tackle unequal pay and the gender pay gap. We also need a pensions system that ensures that everybody has a decent income in retirement. The hon. Lady will know that our pension reforms must not only be simple, affordable and sustainable, but fair. We must tackle unfairness against women in terms of their income in retirement.

**Mrs. Theresa May** (Maidenhead) (Con): Has the right hon. and learned Lady assessed the impact on women of the latest £2 billion raid on pensions as a result of the Chancellor's pre-Budget report? As she said, fair wages and equal pay are important factors if we are to overcome female pensioner poverty. When the Leader of the Opposition and I launched our policy to combat the gender pay gap, the right hon. and learned Lady said that it was "very interesting". As that pay gap is widening, has not the time come for action rather than just warm words? Given that the Government have taken our lead on inheritance tax, aviation tax and non-doms, will she now take our lead in this area and adopt our policy on equal pay?

**Ms Harman:** As someone who has campaigned to push equal pay up the agenda for many years—I have done so for decades—I think that it is important that we all work together to challenge the fact that women are not paid as much as men. The pay gap between women part-time workers and men full-time workers is 40 per cent. None of us can possibly accept that they are worth 40 per cent. less. I will look at any proposals the right hon. Lady brings forward. What is important is not whose idea a proposal is, but whether it is a good proposal that is fair and helps people.

**Jo Swinson** (East Dunbartonshire) (LD): More than 500,000 women over the age of 60 are missing out on a state pension unnecessarily. Paying just a few hundred pounds to fill in the gaps in their national insurance record could entitle them to thousands of pounds in backdated pension payments. What have the Government done to make sure that such women are aware that they could claim that money, and what more will the right hon. and learned Lady undertake to do to ensure that they do not miss out?

**Ms Harman:** It is important that women who have not qualified for basic state pension contributions, either because they took time out of the world of work to care for their families or because they have been in low paid work below the national insurance threshold, know that if they have the money they can make up up to six years with additional voluntary contributions. We are concerned about the low take-up of that provision, and we intend to take further action on it. That provision is an attempt to remedy a past unfairness. What is important is that we have put in place structures that ensure that the unfairness that marked the old system is not in the current system. We need to make sure that people are rewarded for going out to work, but also that they are rewarded for staying at home and caring for their families.

### Human Trafficking

21. **Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): What discussions she has had with ministerial colleagues on informing girls and women about the dangers of human trafficking. [156861]

**The Minister for Equality (Barbara Follett):** I sit on the ministerial group that overseas the United Kingdom's action plan on human trafficking. That includes measures to inform women and girls about the dangers of this modern form of slavery. The messages contained in those measures have recently been reinforced by the public awareness campaign for Pentameter 2. As the problem also requires an international response, I raised it last week at a ministerial meeting with my European counterparts, and we will continue to support information projects in both source and transit countries.

**Mrs. Hodgson:** I am pleased that the Minister agrees that this is a form of modern-day slave trade, which often forces women into prostitution. Does she have any plans to reform the prostitution laws by placing the burden of criminality on the demand side of this vile trade?

**Barbara Follett:** It is necessary for us to look at the demand side. Our prostitution strategy challenges the attitude that this trade in human bodies is inevitable and here to stay. The growth in human trafficking is fuelling this market, so we must look at the demand side of the problem. Ministers—including Home Office Ministers—are committed to doing what we can to ensure that the law is right in this respect and to considering how to make further progress on whether, and how, to criminalise such exploitation of vulnerable people.

**Mr. Peter Bone** (Wellingborough) (Con): I welcome what the Minister said in her opening remarks, but does she agree that a more practical measure to stop this vile slavery would be to have better immigration controls for young women and children coming in from the European Union?

**Barbara Follett:** I congratulate the hon. Gentleman on the valuable work that he and his group do in this area, and I would welcome the chance to meet it to discuss the matter further. Identification is vital at this point, and we are working on that as part of the steps towards our ratification of the Council of Europe convention.

**Fiona Mactaggart** (Slough) (Lab): Will the Minister convene discussions before the Criminal Justice and Immigration Bill completes its passage through the House to examine whether changes to it are necessary to tackle the extent to which prostitution is rife and is using trafficked women?

**Barbara Follett:** Although I understand what my hon. Friend is saying, we need to have a bit more debate and discussion. My right hon. and learned Friend the Minister and I held a round-table discussion on human trafficking this month, where we discussed with stakeholders the problems that they are facing. After we have had the debate and discussion, we can look at amendments, but we cannot do so at this stage.

## Mental Health

23. **Ms Celia Barlow** (Hove) (Lab): What provision the Government have made for telephone-based services for women's mental health in 2007-08; and if she will make a statement. [156863]

**The Minister for Equality (Barbara Follett):** Locally based primary care trusts are responsible for deciding what services best meet the needs of their communities. However the Government are investing in mental health helplines through a consortium of more than 50 organisations, many of them voluntary. These provide information and advice to all callers.

In addition, the Department of Health's gender equality programme is helping to develop mental health care that is better suited to the needs of women service users. Yesterday, as my hon. Friend knows, my right hon. Friend the Secretary of State for Health announced additional investment to build a new psychological therapy service, and a great deal of that will be targeted towards women.

**Ms Barlow:** I thank my hon. Friend for her reply. As she may know, Sussex has Threshold, a women-only counselling service and national information line. Unfortunately, it is due to close next month because of a lack of funds. This service for women with mental health problems is very popular, so how soon will Sussex see the benefits of this new Government investment?

**Barbara Follett:** I commend my hon. Friend on the hard work that she has done in this respect in her area. The Brighton and Hove City primary care trust assures me that it is very supportive of women-only mental health services. The issue in this case is not about the lack of national health service funding, but about how mental health services are delivered to women in the area. That is why the trust is now working in partnership with Threshold to find another organisation to deliver these services, including the helpline.

## Business of the House

11.32 am

**Mrs. Theresa May** (Maidenhead) (Con): May I ask the Leader of the House to give us the forthcoming business?

**The Leader of the House of Commons (Ms Harriet Harman):** The business for the week commencing 15 October will be:

MONDAY 15 OCTOBER—Remaining stages of the Legal Services Bill *[Lords]*.

TUESDAY 16 OCTOBER—A debate on defence policy on a motion for the Adjournment of the House.

WEDNESDAY 17 OCTOBER—Opposition Day [20th Allotted Day] (First part). There will be a debate entitled "Incompetent Government Handling of the Outbreaks of Foot and Mouth and Bluetongue Disease", followed by a debate on dealing with bullying in schools on a motion for the Adjournment of the House.

THURSDAY 18 OCTOBER—If necessary, consideration of Lords amendments, followed by a debate on the review of the third sector on a motion for the Adjournment of the House.

FRIDAY 19 OCTOBER—Private Members' Bills.

The provisional business for the week commencing 22 October will include:

MONDAY 22 OCTOBER—Remaining stages of the Serious Crime Bill *[Lords]*. Straight after the business statement, the Chancellor will come to the House to make a statement about Northern Rock.

I look forward to answering hon. Members' questions today, but I just want to remind them that I am always available to talk to them in my room at the back of the Speaker's Chair.

**Mrs. May:** I thank the right hon. and learned Lady for giving us the future business. Yesterday, the permanent secretary to the Ministry of Justice published an update of the Department's organisational review, in which the National Offender Management Service could be abolished, on the Ministry's website. Why is that important announcement being made by a civil servant and not by a Minister, and on the internet rather than to the House of Commons?

On Monday the Leader of House said that she was the "policewoman in the Cabinet", enforcing the "Parliament first" rule, whereby statements are made first to Parliament, not to the media. Will she make a statement to the House about why the Prime Minister went to Basra for a photo call, announced a troop withdrawal to the media before he came to Parliament and shamefully double-counted the number of troops coming home?

The Prime Minister keeps boasting that he has dealt with the outbreak of foot and mouth, but as he crows, the livestock industry has lost £135 million, the EU export ban remains for much of the country and the official inquiry is reported to blame a Government facility for the outbreak. We will, as the Leader of the House has just announced, have a debate on this in Opposition time next week, but when the inquiries currently under way report, can we have full debates in Government time on the lessons to be learnt?

On Tuesday the Chancellor of the Exchequer in his pre-Budget report proposed action on inheritance tax, on non-domiciles, on aviation tax and on the simplification of national insurance and PAYE. Where the Conservatives lead, this Government follow. Can we have, therefore, a debate on the protection of intellectual property rights?

With this Chancellor, as with his predecessor, we always have to look at the small print. The new Chancellor said that his PBR included an "affordable tax cut", but far from cutting taxes he is increasing taxes on families by £2,600 a year and there is a £2 billion raid on pensions. The inheritance tax threshold has not been doubled; the Chancellor is just taking credit for what half a million families already do. The Prime Minister's last Budget was a tax con, the Chancellor's first PBR is a tax con, so can we have a debate on the Government's tax cons?

Incompetent, lacking in vision, with the same old spin—the Prime Minister is running scared of the people's verdict. Yesterday in Prime Minister's questions his excuse for not calling an election was that only 26 people had signed a Downing street petition calling for one. I checked the website this morning and there are now 4,408 signatures and rising. Can the Leader of the House arrange for the Prime Minister to give us an update on the petition every week in Prime Minister's questions?

The Prime Minister is running scared of a general election and he is also running scared of a referendum on the renamed European constitution. That is despite the fact that the Labour Chairman of the Labour-dominated European Scrutiny Committee says:

"the red lines will not be sustainable...eventually all of the treaty will apply to the UK."

Can we have a debate in Government time on the report of the European Scrutiny Committee?

Finally, if the Prime Minister wants to prove that he is not a bottler, why does he not keep his word and give us the referendum that he promised?

**Ms Harman:** We had the party political point scoring at Prime Minister's questions yesterday. Having had the Punch and Judy then, we can spare the House the Judy and Judy show today. This is a statement on the business of the House, and it will be business as usual.

Turning to the points of business that the right hon. Lady raised, on the Ministry of Justice, there is an ongoing review. There has been no announcement. *[Interruption.]* The announcement was of an ongoing review and it was notified on the website. If there are any proposals for change, we rightly would expect them to be notified to the House by the Secretary of State for Justice. There are no such proposals at present; the matter is simply under review.

The right hon. Lady mentioned the "Parliament first" rule. We in this House all think it is very important indeed that if there is information that the House should hear first, that is exactly what happens. When the House is not sitting, obviously there is not the option of a statement to the House first. I agree with all hon. Members who think that information should be given to the House first. Indeed the Prime

*[Ms Harman]*

Minister came to the House and made a statement of further information about Iraq.

In relation to foot and mouth and bluetongue, I agree with the right hon. Lady that farmers have had a difficult summer. The Secretary of State for Environment, Food and Rural Affairs came to the House on Monday and announced a package of support for hill farmers who are the most seriously affected. I note that the hon. Lady has made this the subject of her Opposition day debate. If there is any further information, it will be brought to the House. This is a serious problem. We need to identify the problems, contain them and eradicate the diseases which are so damaging.

The right hon. Lady talked about the protection of intellectual property rights. I am sure that she can raise that subject with my right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform.

The right hon. Lady asked about tax. As she knows, my right hon. Friend the Chancellor will be answering Treasury questions next Thursday, and no doubt her hon. Friends can raise those questions then.

The right hon. Lady mentioned issues relating to the EU reform treaty and European scrutiny. There will be public confidence in how we deal with issues proposed by Europe only if there are processes in the House that we all agree are working properly, and I do not think that that is the case. The point has been raised by a number of hon. Members on many occasions, including members of the Modernisation Committee, and we shall have to look into it further to make sure that we are doing the best we can in the House to scrutinise proposals from Europe.

The right hon. Lady referred to how the House is dealing with the European reform treaty. She will know that if the Government reach an agreement on intergovernmental issues relating to Europe it will come to the House for ratification— [HON. MEMBERS: "That's not a referendum."] Perhaps hon. Members will let me finish. It will come to the House. It is for hon. Members to decide the amendments that they want to table and it is for the Speaker to decide which amendments he accepts.

**Mr. Speaker:** I am glad that I have some say in these matters. I call Mr. Cawsey.

**Mr. Ian Cawsey** (Brigg and Goole) (Lab): Given the growth in the number of agency workers, will my right hon. and learned Friend find time for a debate on how the law protects agency workers? The welcome improvements that the Government have made through the minimum wage and employment rights need to apply fully to agency workers, not only so that some of the lowest paid people in our economy get all the benefits from their work but so that good agencies, which do the right thing, are not undercut by their less scrupulous competitors.

**Ms Harman:** My hon. Friend raises an important issue that was also the subject of a private Member's Bill—the Gangmasters (Licensing) Act 2004—promoted by my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan). We all agree that we need to do more to protect vulnerable migrant workers from exploitation, as well as those who have been working hard in this country for a long time, to ensure that their terms and conditions are not undermined and undercut by unscrupulous agencies. Consideration of what more we can do in relation to vulnerable workers will be raised with my hon. Friends at Question Time, but I will bring my hon. Friend's point to their attention.

**Simon Hughes** (North Southwark and Bermondsey) (LD): I return to the Prime Minister's welcome statement in July that his new intention would be always to make statements on important issues to the House whenever appropriate, yet within three months we saw him go back to the bad old habit of making a statement that could absolutely have waited until Parliament came back this week. Will the Leader of the House go back to the Prime Minister and Ministers and make it clear that it is not acceptable that statements are made in the recess, willy-nilly, whatever the subject, when they could wait to be made in Parliament. That completely undermines what the Prime Minister said to the House after his election in the summer.

On a similar issue, the Prime Minister indicated the intention to be open-minded—as the Leader of the House has always been—about constitutional reform, which is very welcome. Given the little local difficulty that the Prime Minister got into last weekend, will the right hon. and learned Lady encourage him to let the House discuss the merits of fixed-term Parliaments, with a guarantee that people are on electoral registers and not off them, and possibly the idea that we hold elections on both days of the weekend to maximise turnout? I am sure that people throughout the country would welcome an unwhipped debate on that subject to test the view of the House.

We heard a welcome statement from the Chancellor earlier this week on public sector borrowing and the comprehensive spending review, but there is to be no extended debate about that, as there usually is after the Budget. Will the Leader of the House suggest that in future we have a full, proper economic debate twice yearly, because then we could ask whether Labour was about to adopt our policy on long-term care funding for the elderly and test whether the flood defence moneys would be adequate or, as all the independent experts suggest, inadequate to meet the damage of recent months.

Finally, rather than having to respond on Opposition days when subjects affecting agriculture and rural communities are put on the agenda or as a matter of urgency when there is a crisis, will the right hon. Lady provide regular opportunities to debate agriculture and the rural economy, not just after the latest outbreak of BSE or bluetongue disease? We must understand that unless we have a healthy agricultural industry which feels supported, the UK will face severe economic and financial difficulties?

**Ms Harman:** We can all agree that when the House is sitting and a Minister has an announcement to make, that should be heard first in the House, not read about in the newspapers or heard on the "Today" programme. That is what is important. However, it is perfectly

acceptable for the Prime Minister, as he did, to go to Basra and, when he is there, to answer questions about troop numbers.

The hon. Member for North Southwark and Bermondsey (Simon Hughes) asked about the recall and dissolution of Parliament. The Modernisation Committee, which met yesterday, agreed that under the "Governance of Britain" proposals, we should examine the recall and dissolution of Parliament. Indeed, there will a Speaker's conference on a number of aspects of building public confidence in our democratic system. It is already possible under the law for voting to take place at weekends. That has been piloted in some areas and it is important that we continue to consider it.

The hon. Gentleman spoke about the opportunities for discussing flood defences. I draw his attention to what the Chancellor said in the pre-Budget report about the increase in money for flood defences. We must not only tackle climate change and reduce carbon emissions—the climate change Bill will be important for that—but invest in adaptation to extreme weather conditions and protect people from floods. That was proposed in the pre-Budget report.

The hon. Gentleman mentioned the importance of the House having topical debates. He is aware that the Modernisation Committee has made substantial proposals for topical questions to be asked without notice at Question Time, as in Prime Minister's Question Time, and for topical debates. I shall shortly present those proposals to the House.

**Nigel Griffiths** (Edinburgh, South) (Lab): Will my right hon. and learned Friend allow for an early debate on the disgraceful decision by the Liberal Democrat and Scottish nationalist-run council in Edinburgh to deprive thousands of senior citizens of essential home help services from January—services such as ironing, cleaning and even fetching essential messages?

**Ms Harman:** I know that my hon. Friend is extremely concerned about care and support for older people. Despite his criticisms of the provision of services by the local Liberal Democrat-Scottish National party council, he may be aware that the Government are undertaking a review of the support that we give to carers. I invite him to contribute to that review.

**Greg Clark** (Tunbridge Wells) (Con): Today's shaming report from the Healthcare Commission shows that 90 people died of c. difficile in Maidstone and Tunbridge Wells, and I am sure that the thoughts of all of us are with the families and friends of those who died in such tragic circumstances. Will the Secretary of State for Health come to the House to debate the lessons to be learnt from this tragedy? In particular, will he reassure my constituents and those of my hon. Friends that patient care will not be sacrificed to Government targets, be they financial or clinical, and specifically that nursing numbers will not be held back because of targets, and also that the new hospital, which will be 100 per cent. single-bedded rooms and therefore a bulwark against such infections in future, will not be jeopardised by any financial consequences from meeting the recommendations of the report?

**Ms Harman:** Hospital-acquired infections, the subject of the report published this morning, have been an absolute tragedy and a scandal. Lessons must be learnt, not only in the three hospitals involved but more widely in the NHS. That is why yesterday the Secretary of State for Health said that he was announcing more investment in provision for isolation, so that when the disease is identified, the relevant patients can be isolated. He also said that there should be an annual deep clean in every hospital, improved cleaning throughout the year and extra screening. Currently, there is screening for planned admissions, but no comprehensive screening for such infectious diseases when people are brought in as a matter of emergency. Our health and social care Bill will strengthen the inspection regime; as the hon. Gentleman will know, that Bill is in the draft legislative programme.

I want to mention a point about targets and patient care. I remember when we did not have targets on waiting lists, and constituents of mine used to die waiting for their heart operations. The targets are to ensure that patients get the health care that they need. The hon. Gentleman asked about new hospitals. He will have noticed that the pre-Budget report included additional investment in new hospital buildings. I conclude by saying that the Secretary of State for Health will give a further written statement on hospital-acquired infections early next week.

**Nia Griffith** (Llanelli) (Lab): When will my right hon. and learned Friend make time available for a debate on the use of the House of Commons communications allowance during any election period? I ask that in the light of the Electoral Commission's ruling that Plaid Cymru must declare as election expenses the double-page adverts paid for out of its communications allowance. One was placed a week before the Assembly elections by the hon. Member for Carmarthen, East and Dinefwr (Adam Price) in the *Llanelli Star*, a newspaper read by my constituents.

**Mr. Speaker:** Order. Did the hon. Lady notify the hon. Gentleman—

**David Taylor** (North-West Leicestershire) (Lab/Co-op): Yes.

**Mr. Speaker:** Order. The hon. Lady should be allowed to answer; I do not need two people to do so. It is best not to use business questions to attack an hon. Member. That is not their purpose; we are discussing next week's business.

**Ms Harman** *rose—*

**Mr. Speaker:** I would rather leave the matter.

**Sir Nicholas Winterton** (Macclesfield) (Con): If the Leader of the House had been here earlier, she would have heard a protracted exchange about the problems of our postal services and the current industrial action. I should say that, as a Conservative, I am sympathetic to the postal workers' position, albeit perhaps not to their leadership. I believe in the universal daily service and that the postal service is essential to the social fabric of this country. Given that there is such protracted

*[Sir Nicholas Winterton]*

industrial action in a national service, should there not be a debate in this House, so that every Member can express a view? Although I believe that managers of postal services need to make their own decisions, this House and the Government should take an interest in matters that in some cases can affect the lives of individuals.

**Ms Harman:** I am aware that the House had an opportunity for protracted discussion during Business, Enterprise and Regulatory Reform questions this morning. I strongly agree that we all respect the work done by the Post Office work force. We all support the universal daily service. We recognise the huge challenges that have faced the Post Office, first, with the advent of the fax and then with the advent of e-mail, which have transformed the situation in which the Post Office works.

I agree that the strike has been damaging, not only to the Post Office but to businesses that depend on it and ordinary members of the public wanting to use postal services. The Prime Minister has made it absolutely clear, as did the Secretary of State this morning, that in view of the fact that a perfectly decent offer has been made, we want the dispute to end. The industrial action is not justified, as the Secretary of State said.

**Martin Linton** (Battersea) (Lab): May we have a debate—or, better still, a Bill in the Queen's Speech—to close the loophole that allows candidates to spend unlimited amounts of money until four weeks before an election? I am sure that my right hon. and learned Friend is as alarmed as I am by the sight of Lord Ashcroft roaming the country signing cheques for £25,000 at the drop of a business plan, for the few candidates who win his approval. Does that not smell of the Victorian era, when landowners controlled strings of rotten boroughs and could spend money to ensure that their candidates were elected?

**Ms Harman:** My hon. Friend raises an important point. All in the House are concerned that there should be full confidence in the House and in our democracy. We should all be concerned that people do not like the idea that big money comes in and assists people in buying seats. That has been pervasive in the United States and has undermined public confidence. This "arms race", in which all sides have been spending more and more on elections, has simply been correlated with a fall in turnout. The public are turned off—*[Interruption.]*

**Mr. Speaker:** Order. The right hon. Member for Bracknell (Mr. Mackay) must let the right hon. and learned Lady speak. She is answering business questions.

**Mr. Simon Burns** (West Chelmsford) (Con): Will the Leader of the House arrange for the Department of Health to carry out an urgent inquiry and make a statement next week about how it sometimes answers priority written questions? Can the Department please look into the fact that when I asked an unhelpful question in September about how many scouts at the world jamboree attended Broomfield hospital to be treated and how many were asked to pay for their treatment, the Minister concerned responded by hiding behind the fact that the Department does not collect such information centrally? When I rang up the Minister's private office to complain that that response seemed to be blocking, people there helpfully considered the issue again. Ten days later, they sent me an e-mail saying that they had checked with the East of England strategic health authority and Mid-Essex hospital trust and that they were unaware that anybody from the jamboree had been treated. Last night, I received a response to my freedom of information application, which told me that 107 scouts had been treated for 173 medical complaints and that 53 of them were not eligible for free NHS treatment. I also learnt that not one had yet been sent an invoice, even though they have all returned to different parts of the world—

**Mr. Speaker:** Order. We all have a high regard for the scout movement, but perhaps an Adjournment debate on the issue would be appreciated.

**Ms Harman:** The hon. Gentleman raises an important point about questions. Questions tabled by hon. Members to Government Ministers about issues of public concern or of concern in their constituencies are all helpful, so we should back Members up in asking them.

All answers should be prompt, full and completely accurate. Members should not have to resort to freedom of information requests. If a mistake is made—honest mistakes will sometimes be made and misinformation given in a parliamentary answer—the Department itself should ensure that the answer is corrected and sent directly to the Member concerned. We also need to make arrangements to ensure that corrections are printed in *Hansard*. At the moment, the relevant Member can be invited to retable the question, but that is a bit clumsy. We are thinking about whether to have a corrections page at the end of *Hansard*, so that people can see when information has been wrong. I do not want us to seem like *The Guardian*, but when Government Departments get things wrong, they should correct them; it should not be necessary to make freedom of information requests. As soon as an hon. Member has tabled a question, they should be confident that it will be answered accurately.

**Kerry McCarthy** (Bristol, East) (Lab): On Monday, the House debated the Second Reading of the Criminal Justice and Immigration Bill. As two Government statements were made beforehand, the main debate did not start until 5.39 pm. Back Benchers did not have a chance to make their speeches until two hours later; that meant that some of us got to speak for only five minutes or less. What does my right hon. and learned Friend plan to do to take forward the Modernisation Committee's recommendation that there should be limits on Front-Bench contributions during such debates?

**Ms Harman:** That is a matter of concern to Back Benchers in all parties and, if I might be so bold, it has been a matter of concern to you, Mr. Speaker, as well. As my hon. Friend said, the Modernisation Committee has introduced proposals that the Government will bring forward for debate shortly. Front-Bench spokesmen need long enough to get their argument

across, but not so long that Back Benchers do not have an opportunity to intervene or to make their own speeches.

**Mr. Nigel Dodds** (Belfast, North) (DUP): I urge the Leader of the House to allow time for a debate on the report of the European Scrutiny Committee. I draw her attention to the fact that just last week the Northern Ireland Executive and the Northern Ireland Assembly agreed unanimously that there should be a referendum on the European treaty. I urge her to accede to the growing clamour and demand throughout the country for a referendum. Does she accept that the Government have lost the argument on that, and will the Government allow the people finally to have their say, as they promised they would?

**Ms Harman:** All of us who believe that our membership of the European Union is vital for the health of our economy, our work tackling climate change, our commitment to international development and the tackling of crime, which of course knows no boundaries, think that we could make the argument in favour of Europe much more strongly.

As for the European Scrutiny Committee, and how we deal with the ratification of the treaty, the hon. Gentleman is a Member of this House, and if the Government introduce proposals for the House to ratify the treaty, it will be down to hon. Members whether they table amendments or not. The selection of amendments will be a matter for Mr. Speaker, and it will be a matter for this House to vote on them. The point is that the British people should be reassured that no legislation is simply imposed on this country; it is a matter for this House.

**Kate Hoey** (Vauxhall) (Lab): Following on from the point of the hon. Member for Macclesfield (Sir Nicholas Winterton), does the Leader of the House not think that the public will find it absolutely disgraceful that we are not having a debate on the Royal Mail dispute, so that we can put forward some of the views that are not being put forward by Adam Crozier, on his £1.3 million salary, about the deterioration of services for the public that will take place as a result of the planned changes, such as later deliveries, no Sunday collections and a cut in the pensions of our hard working postmen and women? That case has to be put in the House because our loyal postmen and women are being done down very badly by the fact that the Government are not directly intervening.

**Ms Harman:** Although the Post Office runs along commercial lines, this is a matter of public interest. My hon. Friend has raised some very important points and I will bring them and those made by the hon. Member for Macclesfield (Sir Nicholas Winterton) to the attention of my right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform.

**Mr. Roger Williams** (Brecon and Radnorshire) (LD): On Monday, the Secretary of State for Environment, Food and Rural Affairs came to the House and made a statement on compensation for foot and mouth. Yesterday, my hon. Friend the Member for Ceredigion (Mark Williams) asked the Under-Secretary of State for Wales whether the Assembly in Cardiff was going to be fully refunded for any cost. Overnight, there has been some discussion as to whether that contribution by the Department for Environment, Food and Rural Affairs was withdrawn when it became clear that a general election was not going to go ahead. This is a terrible state to be in. Will the Leader of the House ensure that the Secretary of State for Environment, Food and Rural Affairs comes to the House and clarifies the situation?

**Ms Harman:** The Secretary of State is well aware of the terrible difficulties that foot and mouth and bluetongue have caused, particularly the effect on hill farmers, of whom there are many in Wales. Of course, the hon. Gentleman will know that this is a devolved matter—[Hon. Members: "No, it is not. It is reserved."] The devolved Assemblies have formed their own package of compensation—[Hon. Members: "It is reserved."] I will undertake to look into that matter.

**Dan Norris** (Wansdyke) (Lab): May we have an early debate into the running of price-comparison websites for goods and services? There is a growing concern that those sites for consumers do not always offer the best deal because they hide the payments that they are making to various companies, and they do not necessarily include the whole range of goods and services available. Some people have called for a code of conduct; I am not sure whether that is the right way forward, but I feel that regulation of some kind is needed to ensure the best possible deal for consumers on the web.

**Ms Harman:** My hon. Friend makes an important point. Consumers need to know whether the information that they are looking at is genuinely impartial and fair advice that will help them when they spend their money on goods and services. I will bring his comments to the attention of my right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform.

**Sir George Young** (North-West Hampshire) (Con): As my party is now setting the agenda for Parliament, would it not save time if the business statement were made by my right hon. Friend the Member for Maidenhead (Mrs. May)? In the meantime, if that is not possible, may I press the Leader of the House for a reply to a question she was asked but did not answer? On Tuesday, the Chancellor of the Exchequer made a statement on the pre-Budget report and the comprehensive spending review, setting the financial and political priorities of the Government for the next three years. Surely that statement should be tested in the House of Commons, in an early debate in Government time.

**Sir Nicholas Winterton:** Now, resist the temptation.

**Ms Harman:** I will draw that point, and those made in support of it by other hon. Members, to the attention of the Chancellor, and we will consider it.

**Chris Ruane** (Vale of Clwyd) (Lab): Will my right hon. and learned Friend give time for a debate on the proper implementation of the Electoral Administration Act 2006? As the Minister responsible for piloting that Act during the first half of its journey through Parliament, she will be aware that one of its key

*[Chris Ruane]*

elements was door-to-door canvassing to increase voter registration. Advice given by the Electoral Commission to electoral registration officers in June said that that was not necessary. This matter needs to be fully discussed in Parliament.

**Ms Harman:** My hon. Friend raises an extremely important point. He has been a champion of ensuring that everyone who is entitled to vote is on the electoral register, so that they get their vote. It is of particular concern to him that those least likely to be on the electoral register are those who live in inner cities, poorer people, younger people, those in rented accommodation and black and Asian people. We cannot have an unequal democracy and, therefore, the electoral register is an important part of democracy, which underpins this House and its legitimacy. I will raise the point about the recommendation against door-to-door canvassing; that was not the intention of the House when we passed the Act. I will get my right hon. Friend the Secretary of State for Justice to write to him, and place a copy of the letter in the House of Commons Library.

**David Howarth** (Cambridge) (LD): May we have a debate on the effective use of resources in the health service? I have been trying to discover what lies behind proposals to close Brookfields hospital in my constituency and I have found out that vast amounts of public money are lying unspent in the accounts of strategic health authorities: £960 million last year and a predicted £660 million this year. Surely it makes no sense whatsoever to close hospitals in one part of the country while vast amounts of public money are unspent in other parts.

**Ms Harman:** If the hon. Gentleman wants a response from Health Ministers, and the opportunity to debate and air the issues he has raised, he might consider that a very appropriate subject for a debate in Westminster Hall.

**Mr. Jim Devine** (Livingston) (Lab): May we have a debate in Government time about the lessons learned from the collapse of Farepak, the Christmas saving company, which happened this week last year? We now know that the Halifax Bank of Scotland and Farepak management met in February of last year because the company was in dire financial straits, but it kept taking money off agents until last October. Does my right hon. and learned Friend agree that the minutes of that meeting should be put into the public domain so that the hundreds of thousands of decent, hard-working families can finally learn where their money went?

**Ms Harman:** First, I pay tribute to the work that my hon. Friend has done on exposing the scandal of Farepak, alongside that of my hon. Friend the Member for South Swindon (Anne Snelgrove). It is a very important issue, and it has led to a tougher regulatory regime to ensure that something similar does not happen in the future. As he says, there are still lessons for those individuals to learn from what happened to Farepak. As he knows, an investigation is being carried out under the powers of the Companies Act. When such an investigation is being carried out, there are technical and complex rules about what is available for publication and what has to remain confidential. We want to be sure that everything that can be published is published, because it is a matter of public interest. I will ask the relevant Minister to ensure that that does happen, and that he writes to hon. Members concerned and places a copy of the letter in the House of Commons Library.

**Sir Michael Spicer** (West Worcestershire) (Con): What has happened to the Senior Salaries Review Body's report on Members' salaries, which the Government received before the recess?

**Ms Harman:** The report has been delivered and the Government are considering it. We will publish it, along with our recommendations, and the House will have an opportunity to debate it shortly.

**Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): Many people in other parts of the country will be worried about the hospital infection stories emerging from Tunbridge Wells today. I am therefore pleased that there will be a statement. However, will my right hon. and learned Friend encourage her colleagues in the Department of Health to go further and seek positive opportunities to debate what works in controlling hospital infections? For example, Plymouth Hospitals NHS Trust, based in Derriford hospital, has one of the lowest infection rates in the country and also manages to fulfil other targets.

**Ms Harman:** I join my hon. Friend in paying tribute to her local hospital. It is important to listen to clinicians and others who work in the health service about the way in which we tackle hospital-acquired infection. It is important that we understand the science of hospital-acquired infection and that we listen to patients, who, with their visitors, are the first to complain about dirty facilities in hospitals. The additional use of antibiotics has meant a growing difficulty with tackling hospital-acquired infection once it has taken root. However, I remember complaining that I was not allowed to spend long enough in hospital when I was having my first baby—one was tipped out after a week; it is now 24 hours—and my father, as a doctor, said, "You want to spend as little time as possible in hospital because hospitals always carry a risk of infection." We are not considering anything new, but the position has become much graver.

**Mr. Nigel Evans** (Ribble Valley) (Con): As the Leader of the House knows, I had a debate on the EU constitutional treaty referendum in Westminster Hall, where I received a pretty inadequate response from the Minister for Europe. Perhaps we could have a full day's debate on the subject. One of the reasons that the Prime Minister gave for bottling out of a general election was that polls showed that few people required one. However, poll after poll shows that the vast majority—three quarters of the people of this country—want a referendum on the EU constitutional treaty. May we please have a debate on that?

**Ms Harman:** I refer the hon. Gentleman to my previous comments on that subject.

**Mr. David Chaytor** (Bury, North) (Lab): I have friends and relatives who work for Royal Mail as postal workers and on the management side. I am therefore under no illusions about the complexity of the issues involved or the difficulty of the negotiations. Although we had a brief discussion of the matter on a single question earlier this morning, my right hon. and learned Friend must know that it is potentially the most serious industrial dispute of the past 10 years and possibly the past 22 years. On next week's agenda, we have three Adjournment debates on issues that cannot be considered remotely topical. In view of my right hon. and learned Friend's express support earlier for more topical questions and debates, will she reconsider the future business so that we can have a debate on the dispute at Royal Mail on the Floor of the House?

**Ms Harman:** My hon. Friend is right that no one doubts the seriousness of the effect of the dispute on those who work in the Post Office, the Post Office as a whole and those who use it. I shall draw his comments to the attention of my fellow Ministers.

**Mr. Andrew Mackay** (Bracknell) (Con): Returning to the Leader of the House's welcome to the "Parliament first" initiative, and given that she inadvertently misled the House when she answered a question from the hon. Member for North Southwark and Bermondsey (Simon Hughes), may I invite her to confirm that the Prime Minister was not answering casual questions in Basra, but holding a formal press conference to announce troop reductions? Will she also confirm the number of days that elapsed between that press conference and the return of the House on Monday?

**Ms Harman:** I would simply confirm to hon. Members that I agree that announcements should be made to the House first. However, I also expect hon. Members to understand that, if the House is not sitting, that does not mean that Ministers cannot make announcements, and that they will continue to be made in the recess. I shall focus on ensuring that, when the House is sitting, information is given to the House first.

**Jim Sheridan** (Paisley and Renfrewshire, North) (Lab): Regardless of the way in which the statement was made, thousands of service personnel—men and women—will return to their families from Iraq in the near future. May I ask my right hon. and learned Friend to use her good offices to encourage local authorities and communities to recognise the work of the service personnel when they return, not jingoistically but in a way that acknowledges their valuable contribution to the safety and security of this country?

**Ms Harman:** I absolutely agree with my hon. Friend's important point. The Secretary of State for Defence believes that it is important that we recognise the work of the armed forces and I will draw his attention to my hon. Friend's comments.

**Mark Hunter** (Cheadle) (LD): Will the Leader of the House consider making time available for an urgent debate on the worryingly high levels of personal debt, especially among students and graduates, which threatens to undermine future economic stability? Does she agree that such a debate would be especially pertinent in view of the widely differing predictions in the Government's pre-Budget spending review, which the independent assessors published this week?

**Ms Harman:** The Government are concerned to protect people against unwise borrowing, which they are at risk of being unable to repay. However, I refer the hon. Gentleman to the statements of my right hon. Friend the Chancellor about his confidence in future economic stability.

**David Taylor**: There are persistent rumours in this place about an early prorogation, so there must be plenty of vacant slots into which debates can be inserted. Will the Leader of the House arrange a debate on a topic of concern to 15,000 people in my constituency, and, indeed, people in every constituency: the 9 million people who suffer from some form of arthritis, such as rheumatoid arthritis or osteoarthritis? Tomorrow is world arthritis day and it would be appropriate for a Minister in this place to make a statement next week on the steps that the Government are taking to tackle the problems that are associated with the distressing condition, which affects not only elderly people but those across the spectrum of society.

**Ms Harman:** My hon. Friend makes an important point, which I shall draw to the attention of my colleagues in the Department of Health. It may well be right to issue a written ministerial statement on national arthritis day.

**Sir Patrick Cormack** (South Staffordshire) (Con): May we have a clear, unequivocal statement next week on what is and is not allowed in Parliament square? The right hon. and learned Lady knows that her predecessor, the right hon. Member for Neath (Mr. Hain), informed the House and the Commission—as you will remember, Mr. Speaker—that the legislation that was passed would deal with the eyesores in Parliament square. Yet we now have more of an eyesore than ever.

**Ms Harman:** What is or is not allowed in Parliament square is a matter for the law that has been passed by the House and its independent enforcement by the police and the Crown Prosecution Service. If the hon. Gentleman believes that we should change the law, he should present proposals. The issue is raised in the Green Paper entitled "The Governance of Britain", to which he could respond.

**Mr. Alistair Carmichael** (Orkney and Shetland) (LD): If the Leader of the House is having difficulty with the constitutional position on foot and mouth compensation, may I commend to her a concise—some might say elegant—statement of the law contained in my point of order at column 416 of yesterday's *Hansard*?

Will the Leader of the House ensure that, when we have the debate in Opposition time, the Secretary of State for Environment, Food and Rural Affairs will lead for the Government? On Monday, he gave the House the impression that he had no responsibility for Scotland. That is wrong and an error that is making the important topic a political football for the Scottish National party in Edinburgh. The farmers and crofters

*[Mr. Alistair Carmichael]*

in my constituency and throughout Scotland need answers before the economic and animal welfare crisis reaches a peak.

**Ms Harman:** We would all agree that all Departments, Government agencies, local government and the devolved Administrations should work to get the best possible deal to support farmers in that difficult situation and avoid its becoming what the hon. Gentleman describes as a party political football. He is right that there will be a debate next week. I am sure that the Secretary of State will be able to respond in the necessary way.

**Mr. John Redwood** (Wokingham) (Con): Does the Leader of the House think that it gives a good impression of this place if all the good ideas for debates and statements from Back Benchers in all parts of the House are turned down, so that the House can plan another holiday, shortly after a 10-week recess? Is the image of the House further enhanced by the proposal that MPs should be able to take precedence over other people in queues?

**Ms Harman:** The right hon. Gentleman raises two points. The first is about the availability of time for hon. Members to get topical debates. As he will know, members of the Modernisation Committee under the previous Leader of the House made some proposals, which will be brought forward, that will enable Back Benchers to have more topical questions and topical debates.

The right hon. Gentleman also raised the question of hon. Members and others who use the Palace of Westminster's facilities. I understand that it was the existing rules that were reissued. We would all agree that when it comes to running for a vote it is important that the lifts should be available to hon. Members. However, in the 21st century, if two human beings are standing next to each other queuing for a sandwich or cup of coffee, it cannot possibly be right that because one of those people is a Member of Parliament, they go first.

## Financial Market Instability

12.22 pm

**The Chancellor of the Exchequer (Mr. Alistair Darling):** With permission, Mr. Speaker, I should like to make a statement on Northern Rock plc. Before I start, however, I draw the House's attention to the fact that I have informed both the Register of Members' Interests and the Treasury's permanent secretary that, like many others, my wife and I have a mortgage with Northern Rock, but no savings or deposits.

As I said in my written statement on Monday, Northern Rock got into difficulty following the problems triggered in the US mortgage market, which have gone on to affect the financial markets in countries all around the world. In early August, when the markets realised the extent of the problems in the US sub-prime market, they also began to have doubts about the value of other asset-backed securities. Uncertainty over which institutions were exposed and to what extent meant that institutions lent to each other at much higher rates, and in some cases stopped lending to each other altogether. The result was a large reduction of money in the market generally and an increase in the cost of borrowing, not just for those with exposure to the sub-prime market, but for all institutions.

Those developments have had a global impact, affecting major US mortgage lenders, a major French bank and banks in Germany. The availability of credit has increased over the past few weeks, so we can be more confident, but we cannot be certain when the current instability will end. Britain entered the global turbulence with a stable economy and a strong banking sector, which has experienced rapid growth, with well capitalised balance sheets. British institutions have less direct exposure to sub-prime assets and our sub-prime market share—5 per cent.—is much lower than that of the US. However, because of its business model, Northern Rock faced a particular problem. It has a large share of Britain's mortgages, but they are primarily financed through the wholesale markets, including a significant proportion from securitisation. That meant that Northern Rock was particularly vulnerable to the virtual closing of that market over the summer.

On 14 August, the Financial Services Authority told the Bank of England and the Treasury about its concerns about Northern Rock and its vulnerability in the current market circumstances. During August it became increasingly clear that Northern Rock was having difficulty getting access to the financing that it needed and that the cost of doing so was increasing. The general situation and Northern Rock's position in particular were monitored on a daily basis. On 5 September, the Bank announced £4 billion of extra support to provide increased liquidity to the wider market. As Northern Rock's position deteriorated, it became clear that specific support was likely to be needed for it. On 13 September the Governor and the chairman of the FSA recommended that I authorise the Bank to provide special liquidity support. I agreed because I believed that that was justified.

There are clear principles governing such support, which are set out in the memorandum of understanding between the Treasury, the Bank and the FSA that was

first signed in 1997. Such support should be undertaken only when there is a genuine threat to the stability of the financial system and in order to avoid a serious disturbance in the wider economy. That was the case here. The provision of support was announced on 14 September. Although the FSA had assured the public that Northern Rock was solvent and that if depositors wanted to get their money out, they could do so, it became clear that further assurance was needed. Therefore, on 17 September, again on the advice and with the agreement of the FSA and the Bank of England, I announced that during the current instability in the financial markets, and should it prove necessary, I would put in place arrangements that would guarantee all the existing deposits in Northern Rock. That undertaking was extended on 20 and 21 September.

The Treasury, the Bank and the FSA continue to work intensively with Northern Rock with a view to helping it to resolve the situation. Any future solution must lie with the company, but the Government have provided appropriate help and will continue to do so. As I reported to the House on Tuesday, I have extended the Government's guarantee arrangements to all new retail deposits for which Northern Rock will pay a fee, while the Bank has provided an additional loan facility, which has replaced that of lender of last resort. I have today written to the Chairman of the Select Committee on the Treasury and the Select Committee on Public Accounts setting out more details. I am also publishing that letter and placing a copy in the Library of the House.

There are clearly lessons to be learned from what happened to Northern Rock and the wider instability across the world. The responsibility to minimise risks and prevent problems from happening in a particular bank lies first and foremost with the directors acting on behalf of its shareholders. That is their clear duty. It is the job of the financial authorities to set the policy and the regulatory framework in which institutions and markets work. Let me remind the House of those responsibilities. As the House knows, the Bank of England has complete independence in monetary policy. Its second core purpose is financial stability, a role that it discharges on a daily basis. The FSA, also independent, is responsible for the supervision of individual firms such as Northern Rock. Because of the importance of the financial system for the stability of the economy as a whole and because of the potential impact on the Exchequer in ensuring stability, the Government are rightly also involved. The Treasury is responsible for the overall legislative framework and I am accountable to Parliament.

It is right that the Bank and FSA should continue with those responsibilities. The model is one that others around the world are now following, but we need to review how the framework has operated and put in place whatever practical improvements are needed. As the FSA has said, it is reviewing its own lessons for itself. I look forward to its conclusions early next year. We need to make more reforms to prevent problems from happening internationally and in Britain. First, when the Financial Stability Forum reports to Finance Ministers at the G7 in Washington next week, I will urge faster rapid implementation of international agreements on solvency, accelerated work on international standards for regulating liquidity, more transparent information on credit ratings and action to improve the transparency of off-balance sheet vehicles. Secondly, I will propose an International Monetary Fund and Financial Stability Forum early warning system to strengthen financial sector surveillance and to identify risks to stability and co-ordinated regulatory responses to them. Thirdly, I can report a European agreement this week to strengthen arrangements for ensuring financial stability in Europe and increase cross-border management.

It is important that regulators focus on liquidity as well solvency. Here at home, the FSA will shortly set out proposals for a review of the UK liquidity regime. As the Governor has said, all central banks face problems in providing support to banks in difficulty in a world where markets rightly expect high levels of disclosure and transparency. I can therefore confirm that if it proves necessary to clarify in Europe the legal and practical issues surrounding the way in which such support is provided and disclosed to protect financial stability, we will work with other European countries to provide that certainty. We will now review whether rules about swift takeovers of banks need to be changed.

When problems occur, however, we need to have a system in place that is clear and which reassures depositors. We will introduce legislation in the next Session to establish a new regime. With the FSA and the Bank, I am proposing the principles for the new regime in a discussion document published today. The new regime would mean that depositors would be insulated from a bank that had failed and would provide them with both greater compensation and certainty that their compensation could be paid out quickly. As a first stage, the FSA has decided that the financial services compensation scheme covers 100 per cent. of deposits up to £35,000, but I have made it clear that that is just an initial step towards a more comprehensive change.

We will continue to work closely with the banking industry, consumer groups and others to agree the new regime, and I hope that there will be cross-party consensus on it. We must all, internationally and domestically, consider what lessons there are to be learned from the summer's events, and if needed I will take action. The changes that we will make will strengthen our reputation as the world's leading international financial centre, and will be founded on our commitment to maintain a strong and stable economy. I commend this statement to the House.

**Mr. George Osborne** (Tatton) (Con): Let us be clear why the Chancellor is making this statement today. This country has seen its first run on a bank for 140 years, and while as he has pointed out the credit problems have been global, it is only in Britain that we have seen people queuing to withdraw their savings. That is because the system set up by the Prime Minister to prevent precisely such a crisis has failed its first serious test.

There are three accusations facing the Chancellor. The first is that he knew for more than a month that Northern Rock was in trouble and still failed to prevent the crisis. He said in his statement today that the company's business model had made it particularly vulnerable, but he was praising that model earlier this year when he was Secretary of State at the Department of Trade and Industry. The Bank Governor told the

*[Mr. George Osborne]*

Select Committee that a combination of four different pieces of legislation meant that the tripartite committee was powerless. Why did not the Government, with all the contingency planning that they have done over the past 10 years, realise that there was a gaping problem in their new financial oversight system? The director general of the CBI pointed out that

"you don't wait for the cinema to catch fire before you check out whether the fire precautions are going to work".

Why did the Chancellor choose to give an interview to the press on 12 September—the day before it emerged that Northern Rock was seeking emergency help—in which he attacked the banks and said that they should be more honest? Did he know that, within 48 hours, he would be trying to reassure the public about the honesty of the banking system? Was he not undermined by his own spin?

Will the Chancellor release the letters that he received from the Bank and the FSA? The Bank Governor has told the Select Committee that he is happy for them to be released, and I am surprised that they have not been released today. When the Chancellor was forced to offer the general guarantee to existing Northern Rock savers, he said that it would be "unfair to other banks" to extend it to new savers. Why has he changed his mind this week and done just that?

The second accusation facing the Chancellor is that, when the crunch came, no one knew who was in charge. The Bank Governor confirmed this in an answer to the Select Committee, which I praise for the work that it has done on this matter. When the Bank Governor was asked who was in charge, he answered:

"What do you mean by 'in charge'? Would you like to define that?"

Is not the fundamental flaw in the tripartite system set up by the Prime Minister 10 years ago a flaw that the then Chancellor was warned about when the measures passed through the House—namely that no one would know who was in charge?

For example, the FSA says that it saw its job as simply reporting Northern Rock's liquidity problems to the Bank. However, the Bank says that it sees its job as looking at the liquidity of the whole financial system rather than that of individual institutions. Frankly, it is a bit late for the Chancellor to stand at the Dispatch Box and say that we need to review the liquidity regime. Who is in charge? The answer is that the Chancellor of the Exchequer was supposed to be in charge, but he was not.

The third and final accusation against the Chancellor is that he does not yet seem prepared to take strong and decisive action to prevent such a disaster happening again. He says that he wants cross-party consensus. I wrote to him on 20 September offering the full co-operation of the Opposition in making the legislative changes necessary to protect depositors and to allow the Bank to do its job. He has not bothered to reply to me, but I can tell him that we will work with the Treasury on this to create an oversight system that works.

The proposals that the Chancellor has set out today, and those that he is consulting on, need to meet certain tests. We need to be clear about who is responsible for monitoring liquidity and to ensure that regulation does not prevent us from dealing with a liquidity crisis when it arises. We need to be clear whether the regulation is European or has been gold-plated by the British Government. We need to reinforce the independence of the Bank so that there can never again be any suspicion of political pressure. We also need to insist that any new system, while protecting savers, does not stifle financial innovation or protect investors when that innovation goes wrong.

Will the Chancellor explain why he failed to mention the £100,000 figure that he gave to a newspaper in an interview three weeks ago as the sum that was likely to be covered by deposit insurance? It was not mentioned in his statement or in the consultation document, yet he chose to mention it to a newspaper. We also need to take steps now to tackle the growing personal and public debt that leaves Britain's economy more exposed than others to financial turbulence, and we need to be clear about who is ultimately in charge.

It will take many years for the memory of the queues of panicked savers on our high streets to fade. The Government's boasts about stability and financial competence will now ring hollow. We will work with the Government on the changes that are needed, but the first thing that the Chancellor needs to do is to take responsibility for this mess. It is about time he provided the leadership and the decisive action that his high office demands.

**Mr. Darling:** I am grateful to the hon. Gentleman for what I take it was meant to be helpful advice, at least in respect of some of his comments. Let me deal with the points that he has raised.

As I told the House in my statement, it first became apparent to the FSA and the Bank in the middle of August that Northern Rock had difficulties. Between then and Northern Rock formally asking the Bank for facilities, a great deal of effort was made to try to help Northern Rock to resolve the position. The position was monitored on a daily basis, and Northern Rock was in close contact with the FSA, the Bank and the Treasury. During that period, a number of alternative courses of action were looked at, but unfortunately they did not work.

The problem that Northern Rock faced was that, because it had to get new financing facilities on a pretty regular basis and because the market could spot that fairly quickly, it became apparent that it was in difficulties. It could not therefore get access to funds, and the price that it was being charged was going up. I can tell the hon. Gentleman, however, that we did everything that we could to try to resolve the situation without special support becoming necessary. Eventually, however, it became obvious that unless special facilities were made available, the bank would be in very great difficulty indeed.

That brings me to the second point that the hon. Gentleman raised, on help for banks. The Governor did not say that the Bank was unable to help Northern Rock because of current legislation. What he was talking about was whether that help could be given in a covert way as opposed to being completely open about it. I am bound to say to the House that this is a real problem. In this country—and perhaps right across the world—we have been moving towards more

transparency and openness, which is generally a pretty good thing. The difficulty was that, because Northern Rock's trading position had deteriorated so rapidly, it was advised by its own legal advisers—for perfectly understandable reasons—that it would have to issue a profits warning. It was also coming to the view that, because of its listing requirements, the fact that it was about to get facilities from the Bank of England would probably have to be disclosed. The Governor was also saying that the current legislation might require that disclosure. In addition, he made the point that, if it had been possible to arrange for another bank to come in, part of the takeover code might make that difficult over a weekend. I am looking at all these things, and if we need to change the legislation, we certainly will.

When we were discussing these matters prior to the Bank's support being made available, I was pretty sure that it would get leaked, and I was absolutely right. The House will know that the story was broadcast by the BBC the night before the formal announcement was made, which is what led to the difficulties over the next few days. We need to look at that, because it is in the interests of the financial system not only in this country but across the world that, if central banks need to intervene, they should be able to do so in a way that is sensible.

The hon. Gentleman raised a number of other points. The Chairman of the Treasury Committee has written to me asking about the letters that I have received from the Governor and the FSA, and I will respond to my right hon. Friend before I appear before the Select Committee later this month. Yes, we have extended the guarantee, because I believe that it is right to help Northern Rock to have a period in which it can explore the options available to it, with a view to resolving these difficulties.

On arrangements between the Bank, the FSA and the Treasury, ultimately I am responsible to this House for whatever they do; that is part of being Chancellor. I hesitate to agree, however, if the hon. Gentleman is suggesting that we should move towards a situation in which the Bank or the FSA were merged, which would not be the right thing to do, as the institution would become unmanageable. If the question is whether I think that improvements should be made and that we should look further into the arrangements between the Treasury, the Bank and the FSA, of course that is the case. We do need to learn the lessons.

Finally, I am consulting on the protection of consumers. Having had some experience with courts in relation to consultation, I put out some general principles because the law appears to be that, if Ministers consult and then go on to close off or close down some of the options, we have to start all over again—and I do not want to get myself into that position.

In conclusion, there are clearly lessons to be learned from what happened with Northern Rock, but as I have said on many occasions over the past few weeks, we benefit from having a strong economy and a generally strong banking sector, which I believe will enable us to get through these difficulties and maintain our reputation as the world's leading financial centre.

**John McFall** (West Dunbartonshire) (Lab/Co-op): I thank the Chancellor for his statement. He knows that the Treasury Committee is looking into the issue and doing so in a wider context. The point that he raised about covert operations brings into question the concept of the lender of last resort, which is an issue that the Treasury Committee will be looking into. The real issue is how we help to protect depositors. Is the £35,000 figure correct? I would suggest that the key is consumer confidence. If consumers do not have confidence, the figure will be incorrect and it is important that we have the widest consultation on that. Another lesson is that depositors need easy and immediate access to their savings. Given that more than a quarter of global assets are now internationally owned, we need to address these problems in an international context. Will the Chancellor tell us exactly what he intends to do in that particular area?

**Mr. Darling:** I am grateful to my right hon. Friend. As I said a few moments ago, I am due to appear before the Treasury Committee later this month.

My right hon. Friend is absolutely right that this matter needs to be addressed internationally as well as here at home. I said in my statement that I thought that a number of steps were necessary internationally. We have to ensure that regulators look not just into the solvency of institutions but into any liquidity problems that they might have. That also means ensuring that current rules as they apply internationally as well as domestically allow regulators and institutions to focus on that.

My right hon. Friend is quite right too about the deposit protection scheme. A number of steps are necessary to reassure people. If a bank fails, it should be possible immediately to remove the depositors' money from it and run it separately, and ensure that it can be paid out as quickly as is reasonably possible. I have made it clear that the £35,000 is a first step; that is all that the FSA can do at the moment. I think that we need to go beyond that. That is precisely why I am consulting, because, of course, the scheme is financed by banks and other financial institutions. International action, as well as action to protect depositors, is absolutely essential.

**Dr. Vincent Cable** (Twickenham) (LD): I thank the Chancellor for making his statement. He could have hidden behind his Tuesday written statement and the pre-Budget report, but he has come before the House now, which is good. I am afraid that that is the only positive thing that I want to say, because this statement reeks of complacency. Frankly, the Government have become complicit in large-scale irresponsible lending by the same management—and it continues even today—in what amounts to little short of a banking scam.

It has already been said that financial turbulence has existed in the financial community internationally throughout history, but this is the first time since the collapse of Overend, Gurney and Co. in 1866 that we have had a run on the system. The Chancellor talked about the business model, so does he agree with the FSA that that model was, in its words, "extreme"? This was a bank that was doubling its mortgage lending in six months and taking 20 per cent. of the market, on the back not of depositors but of large-scale rapid securitisation into markets, which became discriminating and pulled the plug on it.

The Chancellor said in his Tuesday statement that the bank had "very little exposure" to the sub-prime

*[Dr. Vincent Cable]*

market directly, but is he aware that, indirectly, it was forced to issue a statement on 14 September acknowledging that £600 million of its assets—30 per cent. of its shareholders' funds—were of questionable provenance? I know that there has been a postal strike, but why was that information not communicated to the Treasury, which seemed to be unaware of it?

Worse, is the Chancellor aware that the same lending practices are continuing today? A member of my Treasury team, Lord Oakeshott, rang the bank yesterday and made inquiries about its mortgage opportunities. As we would expect, he is someone of good credit standing, but the terms that he was offered were quite extraordinary. He was offered 127 per cent. of the value of the house, including the roll-up of the arrangement fee—five to six times his income—and 30 per cent. of the loan was to be unsecured. I do not know whether that is what the Chancellor meant when he talked about a return to old-fashioned lending practices. In the current economic circumstances and given the warnings about house prices from the Royal Institution of Chartered Surveyors, most reasonably cautious bankers would say that that borders on the insane. It is happening because the Government are underwriting the bank. That is precisely what the Governor of the Bank of England warned of when he talked about moral hazard.

Will the Chancellor tell us how much taxpayers' money is exposed to this bank? I believe that there is £11 billion in lending and £23 billion in guarantees, so we are talking about a sum of money in one bank that is roughly equivalent to annual spending on the armed forces. When the Chancellor agreed to the effective nationalisation of the liabilities of this bank, why was the management—including the chief executive, who has been paid £10 million in five years for taking his bank on to the rocks, and the directors, including the ubiquitous Wanless—not sacked? I would include the FSA, which has admitted that in 18 months it did nothing to check the bank.

We all understand that once the run had started, the Chancellor had no alternative but to guarantee deposits, as opposed to the institution and the shareholders, and I am sure that that was right, but why is he now extending that guarantee to new depositors? Does that not encourage irresponsible lending and is it not unfair on other banks that are acting responsibly? Is it not even more unfair on pensions institutions, which, as the hon. Member for Wolverhampton, South-West (Rob Marris) reminded us yesterday, do not have such a guarantee?

My concluding point is that this is not just a passing embarrassment. It is potentially a tragedy for the 5,000 or more people in Newcastle whose livelihoods depend on the bank, but it is also a scandal in which substantial numbers of people in the financial community are heavily involved. When the Chancellor has taken the necessary prudential action, will he have a full independent—

**Mr. Deputy Speaker (Sir Alan Haselhurst):** Order. I was reluctant to interrupt the hon. Gentleman, but he is going beyond the conventional length of time that he is allowed.

**Mr. Darling:** First, the hon. Gentleman suggested that I should have sacked all the directors of the Northern Rock bank, but I do not have the power to go around sacking the directors of any company. The company is owned by its shareholders and the directors are responsible for the running of it. The decisions taken by Northern Rock in respect of its business model and its lending—whether generally or to the noble Lord Oakeshott in particular—are a matter for the bank and not for any Minister. The hon. Gentleman seems to be confused about that. The bank belongs to its shareholders and is run by the directors. If the directors are to be changed, it is a matter for the shareholders.

The FSA is responsible for the regulation of Northern Rock. The chairman of the FSA, Sir Callum McCarthy, said before the Select Committee earlier this week that it clearly has lessons to learn about the supervision of not just this bank but others. The hon. Gentleman seemed to suggest that Northern Rock's problems were because of the sub-prime market, but according to the FSA the bank has a good quality loan book. That has been fairly well established over the last few years.

I was not clear whether the hon. Gentleman was for or against the guarantee that was given: he seemed to shift his position two or three times. It was necessary to provide the guarantee for the stability of the financial system as a whole. The present arrangements are also necessary to give the bank time to make whatever adjustment is appropriate and whatever arrangements are appropriate for the future.

**Mr. Doug Henderson** (Newcastle upon Tyne, North) (Lab): My right hon. Friend will know that Northern Rock employs 4,000 people at its headquarters in my constituency. Contrary to the attitude and tone adopted by the official Opposition, and the lack of support given to Northern Rock and the people who work there by the Liberal Democrats, depositors around the country very much welcomed the action taken by the Government and the Bank of England in September, and again this week, to protect deposits. People who work at Northern Rock in my constituency have made the point to me that the business is viable, and if it is kept together as an entity it will continue to be viable and the jobs of 4,000 people in my constituency and 1,500 people in the constituency of my hon. Friend the Member for Sunderland, South (Mr. Mullin) will be protected. That is the priority. Will my right hon. Friend use his good offices to do what he can, even in an unpredictable situation, to retain that entity?

**Mr. Darling:** My hon. Friend makes a good point. The Northern Rock bank is of great importance to his constituents and to the north-east of England. It enjoys a good reputation and employs more than 6,000 people nationally. I very much hope that a solution can be found in the next few weeks and months that will enable the bank to continue. Ultimately, that will be a matter for the bank, but I very much recognise the point that my hon. Friend makes and the importance of the Northern Rock bank to Newcastle in particular.

**Mr. Peter Atkinson** (Hexham) (Con): The Chancellor will accept, however, that there is widespread concern and anger in the north-east at the way in which the

affair was handled. In particular, what provoked the Bank of England to announce that Northern Rock was looking for help? The European Central Bank managed to rescue—I think—two German banks and a French bank without a similar panic. I am at least grateful that the Chancellor appreciates the importance of the bank to the north-east economy and to many of my constituents, who, like those of the hon. Member for Newcastle upon Tyne, North (Mr. Henderson), want to see the bank rise again. As the Chancellor said, the order book is strong. We will note the complete lack of support from the Liberal Democrat spokesman for the bank and the people who work in it in the north-east.

**Mr. Darling:** As I said in reply to the shadow Chancellor, the difficulty with the announcement that the Northern Rock bank would get specific help from the Bank of England was that, as I always suspected, somebody told the BBC about it. In the light of that, the information could not have been kept private. That is a problem not just in this country but across the world. We want to be as open and transparent as possible, but there will be circumstances in which support may be necessary for one or a group of institutions, and if someone chooses to go and tell the BBC or another outlet about it, the whole thing becomes public. That is the reason why the decision was ultimately taken to make an announcement. Unfortunately, just a few hours before that announcement was made, a highly damaging story appeared on the BBC that caused huge problems for the Northern Rock bank. That is a problem, and we will have to consider how to resolve such problems in future. I agree with the hon. Gentleman, who represents a constituency just outside Newcastle and will know the importance of the bank to the north-east. The more that we can do collectively to help the situation, and not make sometimes irresponsible statements, the better.

**Mr. David Clelland** (Tyne Bridge) (Lab): As a long-standing customer of Northern Rock—I suppose that I should declare an interest in the usual way in that regard—I assure my right hon. Friend that savers are very grateful to the Government for the support afforded at a difficult time. Our concern, however, has now turned to the future. What can the Government do to help to ensure the continuation of Northern Rock as an independent north-east based company? Will he take on board the comments of my hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson) and assure the House that the Government will help to protect the security of employment of thousands of Northern Rock staff in the north-east, and to protect the Northern Rock Foundation, which supports arts and culture, young people, children in need and other disadvantaged groups across our region?

**Mr. Darling:** On that last point, as my hon. Friend knows, the Northern Rock Foundation has given grants of more than £28 million, and that is one of the reasons why the Northern Rock bank has much popular support in the north-east, along with the fact that it is a major source of good-quality employment. The most significant thing that the Government can do is to continue to provide the support that we have offered to Northern Rock, and to give it time to consider its strategic options. We stand ready to do whatever is appropriate as and when the bank decides what the best option is.

**Mr. Michael Fallon** (Sevenoaks) (Con): Which of the two regulators has primary responsibility for ensuring that banks are sufficiently liquid as well as solvent? Why did Ministers choose to implement the EU market abuse directive in such a way as to take out the exemption of situations of grave and imminent danger, thus making a rescue more difficult?

**Mr. Darling:** On that latter point, as I said a few moments ago, the EU directive was not the stumbling block. We looked at many considerations. As I said in reply to the shadow Chancellor, given that the bank was going to have to issue a profits warning, that it had to have regard to the listing requirements and the impact of getting facilities from the Bank of England, and that the news would almost certainly get leaked, which turned out to be the case, we believed that it was better to make an announcement than not to do so. If we need to look at the current law, we will do that. In relation to the hon. Gentleman's first point, the primary responsibility for supervision of individual institutions lies with the Financial Services Authority.

**Mr. Chris Mullin** (Sunderland, South) (Lab): May I underline the points made by my hon. Friends the Members for Newcastle upon Tyne, North (Mr. Henderson) and for Tyne Bridge (Mr. Clelland)? Despite all that has happened, Northern Rock is a respected institution, and remains so, in the north-east. It also employs a large number of my constituents. No one wants to see it taken over by some predator and asset-stripped. Will my right hon. Friend do all in his power to prevent that from happening?

**Mr. Darling:** I know that my hon. Friend also represents a constituency where many people work for Northern Rock. As I said, I am happy, on the part of the Government, to do everything that we can to bring about a satisfactory conclusion to this matter. Obviously, it is for the company to decide what the best option is. If the Government can help in an appropriate way, I will certainly consider any proposal put to us.

**Sir Peter Tapsell** (Louth and Horncastle) (Con): Does the Chancellor deny that ultimate responsibility for the crisis in Northern Rock, which has done such worldwide damage to the reputation of British banking, lies with our present Prime Minister for removing banking supervision from the lender of last resort? May I put it to the Chancellor that no amount of tinkering about improved liaison between the Financial Services Authority—which has never commanded much confidence in the City—and the Bank of England will overcome that fundamental problem? That was one of the reasons why the then Governor, Lord Eddie George, nearly resigned when that new scheme was imposed on him by the present Prime Minister.

**Mr. Darling:** Perhaps I can remind the hon. Gentleman that even in the old days to which he refers the Bank of England was responsible for the prudential

*[Mr. Darling]*

supervision of banks but not for the supervision of many of the activities in which banks were involved, such as the sale of insurance. I also remind him that 10 years ago, no fewer than seven different regulators operated in the market: the Bank of England; the Securities and Investment Board; the Building Societies Commission; the Register of Friendly Societies; the insurance division of the Department of Trade and Industry; and three self-regulating organisations—the Investment Management Regulatory Organisation, the Securities and Futures Authority and the Personal Investment Authority. No one wants to go back to those days, when seven organisations were sometimes responsible for the same institution. That makes no sense at all. Having the central bank responsible for the stability of financial markets, and one organisation responsible for the supervision of institutions, is the right way to go, and most countries are moving towards that model, not towards the regime that was around many years ago, which would not work in today's markets.

**Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): As a former employee of Northern Rock, a former shareholder and someone who still has an account with Northern Rock, I join my hon. Friends from the north-east in giving personal testimony both to Northern Rock's status as a great employer and to the fondness for it that lies in the hearts of all north-eastern people. Everyone in my constituency, and in the north-east more widely, will know someone who works for Northern Rock, has a mortgage with it or holds an account with it. As has already been said, it is vital for us to give it all the help we can to resist any hostile takeover, and to continue as a north-east based bank.

As my hon. Friend the Member for Tyne Bridge (Mr. Clelland) pointed out, the Northern Rock Foundation is one of the major charitable givers in the north-east. Will my right hon. Friend commend the campaign by *The Journal*, which has done a great deal to highlight the need for the company to remain based in the north-east?

**Mr. Darling:** I know that the Newcastle *Journal* has been running a campaign, and that is not surprising because the Northern Rock bank is of great importance not just to Newcastle but to the north-east.

As I said earlier, the Government are providing support through the guarantee for Northern Rock, which will allow it time to decide which strategic option is best for it. However, as I have said many times this afternoon, at the end of the day it is for the bank's directors to make that decision. It is their bank, and they must decide what is best. If we can help and it is appropriate for us to help we will do so, but ultimately the bank's directors are responsible for all the decisions that they have made in the past and for any that they may make in the future.

**Mr. Alan Beith** (Berwick-upon-Tweed) (LD): It is clear to me that there were failures on the part of the regulatory bodies and also on the part of the directors of Northern Rock, who should have been questioning the extent to which their bank had become dependent on short-term lending, far out of line with all other banks.

Does the Chancellor recognise—he has already indicated in part that he does—that the bank as an institution is hugely important in the region, and that the Northern Rock Foundation, with its 5 per cent. share of the bank's pre-tax profits, is also hugely important throughout the north-east? Whatever emerges—whether the institution is reformed or others participate in it to give it a future—it will be necessary to recognise the social responsibility that has been shown by Northern Rock as a company, and the need to support the work done by the Northern Rock Foundation in future.

**Mr. Darling:** I agree with much of what the right hon. Gentleman has said. I repeat that both the bank and its foundation are very important to the north-east, and are much appreciated.

**Mr. George Mudie** (Leeds, East) (Lab): I agree with the shadow Chancellor's analysis: a lack of liquidity was central to the problem. We need to know from the Chancellor whether he has had a satisfactory explanation—perhaps even an apology—from the Bank of England for its bizarre initial decision not to follow the lead of the Fed and the European Central Bank in putting that liquidity into the system. That decision was reiterated a week before the event, and in full knowledge of the Northern Rock position, in a three-page letter which was made public and sent to the Treasury Select Committee, and was reversed after the Northern Rock fiasco. A good, sound bank was brought down by strange decisions, and I think that the House should know whether the Chancellor has spoken to the Governor and received an adequate explanation.

**Mr. Darling:** As the House would expect, I have had many conversations with the Governor, as well as with the chairman of the FSA. As I said in my statement, the Bank of England did make funds available to the market, but Northern Rock's position was such that even with the money in the system, it was clear that it was experiencing more and more difficulties. As I said in reply to the shadow Chancellor, the market quickly became aware that Northern Rock had a problem which meant that it was finding it difficult to obtain funds, and the price of the funds that it did obtain was rising. That is one of the factors that eventually made it clear that only specific help for Northern Rock would be appropriate.

**Philip Davies** (Shipley) (Con): Can the Chancellor explain what he and the Bank of England are doing to ensure that the turmoil we have seen in the credit markets and in Northern Rock does not reduce competition in the mortgage market, and to ensure that any advantage does not fall into the hands of big United Kingdom and overseas banks?

**Mr. Darling:** I agree that it is important for us to have a competitive mortgage market, and we have such a market. There are many different mortgage providers. But I do not think it would be right for the Government to decide whether a particular company

should or should not be taken over. We have a Competition Commission to examine such matters, and if it considers that anything is happening that is anti-competitive or would affect the mortgage market as a whole it has the power to intervene.

**Ms Sally Keeble** (Northampton, North) (Lab): I welcome what my right hon. Friend said about changes in the regime for the credit-rating agencies and the liquidity rules. Will he tell us what he will do to ensure that discussions are speeded up internationally so that we see improvements here, and will he assure us that the United Kingdom, as the leader in financial services, will also take the lead in ensuring that those improvements are implemented?

**Mr. Darling:** My hon. Friend has made some very good points, especially about credit-rating agencies. I agree that international action is needed to ensure that reforms are implemented. It should also be borne in mind that information from a credit-rating agency is just one piece of advice on which directors draw. Ultimately, the directors of an institution must form their own judgment on whether the lending into which they are entering is sound, or—if they are buying pieces of commercial paper—whether they know what lies behind them.

My hon. Friend is right about another aspect of international action. I said that I hoped to be in Washington next week at the meeting of the International Monetary Fund. I think that the events that originated in America and have now spread across the world must serve as a wake-up call alerting those who have talked of the need for changes in relation to liquidity, in particular, to the necessity to do something about it. I am ready to show a lead in this country, and I will do all that I can to persuade my fellow Treasury Ministers to take action as well.

**Mr. Mark Field** (Cities of London and Westminster) (Con): I broadly agree with the Chancellor's observations about transparency, but in lamenting the lack of flexibility, does he not recognise that—as my hon. Friend the Member for Louth and Horncastle (Sir Peter Tapsell) rightly pointed out—much of the blame must lie with the Government, who changed the regime in 1997? With hindsight, would the Chancellor prefer Northern Rock to have been taken over by another bank? Would that have been preferable to the rather unseemly and hasty reaction that we saw from him?

**Mr. Darling:** The decision on whether Northern Rock should merge or be taken over by another institution had to be a decision for the directors. The advantage of the Government's continuing to provide support is that the directors will now have several weeks in which to consider which option is best for them.

I strongly disagree with what the hon. Gentleman said about the regulatory regime as a whole. I am not sure whether he was advocating a return to the pre-1997 position, but as far as I am aware no one outside the House has advocated such a course. As for the boundaries between the FSA and the Bank of England, obviously we will keep that under review; but I think that fundamentally the structure is right, although there are clearly lessons to be learned from what has happened over the last few weeks.

**Several hon. Members** *rose—*

**Mr. Deputy Speaker:** Order. Mr. Speaker has a rule that Members who wish to put a supplementary question to a Minister who has made a statement should be present at the start of the statement. I understand that one or two Members have powerful constituency reasons for wishing to ask a supplementary question, but I will place them at the end of the queue, and give priority to those who have been here from the beginning.

**Mr. John Redwood** (Wokingham) (Con): Given that this was a monetary policy crisis made in Downing street and Threadneedle street, why was no action taken in early September, when many of us were warning that the credit crunch was too severe? If the Monetary Policy Committee is to be anything more than a highly paid monthly debating competition, its rates must be enforced by the vigorous use of open-market techniques by the Bank of England. Unlike other banks, the Bank of England failed to take such action, thus needlessly putting not just Northern Rock but several other financial institutions at risk. Why did the Chancellor not intervene earlier?

**Mr. Darling:** I am bound to recall that just a few weeks ago, the policy commission that the right hon. Gentleman chaired suggested to the Conservatives that there was

"no need to continue to regulate the provision of finance, as it is the lending institutions ... taking the risk."

I think the right hon. Gentleman ought to reflect on what he was recommending a few weeks ago.

**Paul Farrelly** (Newcastle-under-Lyme) (Lab): I am afraid to have to admit that I have worked in the banking sector in the City, and I was the City editor of a national newspaper. I am too young to have witnessed at first hand the secondary banking crisis of the early 1970s, unlike the hon. Member for Louth and Horncastle (Sir Peter Tapsell), but I have seen a few rollercoasters in the past 25 years, when stock markets and the banking sector have all too easily forgotten the painful lessons of history. We must remember that Northern Rock did not go bust, unlike Johnson Matthey Bankers and Barings under a previous political and supervisory regime. Also, Northern Rock depositors were protected. Regrettable though those queues outside Northern Rock were, does the Chancellor agree that, as long as lessons are learned by all involved, short, sharp shocks to the banking sector in general are not necessarily a bad thing to warn against unwise lending practices and against forgetting those lessons of the past?

**Mr. Darling:** It is important that banks and other lending institutions, when they are lending money, satisfy themselves that whoever they lend money to can repay it and that, if they are lending it against security, the security is sufficient to allow the loan to be repaid if necessary. People should also remember that the financial institutions and the financial services industry in this country are generally pretty strong, which is why we have a very good international reputation. I am determined to keep it that way.

**Mr. William Cash** (Stone) (Con): The Chancellor will know that, under the memorandum of understanding, the principles are unambiguous accountability—the public must know who is responsible for what—transparency and avoidance of duplication. Given that the arrangements provide only for partial independence for the Bank of England, can he explain, in the context of the market abuse directive—the MAD directive as it is called, aptly—and other directives how he is able to discharge his responsibility for the overall functions when he has to look over his shoulder the whole time at what is being decided, potentially, by the European Court of Justice in relation to European directives that have a direct impact on this matter? How will he resolve that question?

**Mr. Darling:** I know that the hon. Gentleman tends to blame Europe for just about everything. It is worth bearing in mind the fact that the market abuse directive governs disclosure of inside information. As I said earlier, I do not think that that was the key determinant in this case. However, I am prepared to look at all those matters and if we need to make changes we will certainly do so.

**Stewart Hosie** (Dundee, East) (SNP): May I make the same declaration of interest as the Chancellor? I have a mortgage with Northern Rock and no savings with that bank.

I welcome the statement and the good advance notice of it. I welcome in particular the intention to have more comprehensive protection for depositors, the issues he raised about his intentions for the Financial Stability Forum, the proposed international warning system, and the discussion paper. I also note the review of the rules on swift takeovers of banks, which I am sure will look at issues of transparency and at weekend takeovers, which was a particular issue in this case. However, the review of the takeover rules is outwith the scope of the consultation in relation to the discussion paper. When does he intend that review to start? When does he expect recommendations or proposals to be brought to the House for further discussion?

**Mr. Darling:** The discussion paper is pretty broad; that certainly would not discourage anyone who wants to make representations on that matter or anything else from doing so. If it is the case that any of the legislation currently in place would prevent action from being taken, of course we will look at it, although I do not think that that was the fundamental problem in relation to what happened with Northern Rock. Otherwise I am grateful to the hon. Gentleman for his support on our broad approach.

**Peter Viggers** (Gosport) (Con): When the Prime Minister invented the tripartite system of control of banking, informed commentators said that it would be inadequate in a crisis, and so it has proved. The Chancellor has now joined the FSA and the Bank of England in supporting the present regime, but if this is success, what is failure? Is not the fundamental flaw in the system the fact that the FSA is firmly responsible for the supervision of banks and building societies, whereas the levers of financial control are held by the Bank of England?

**Mr. Darling:** I am not sure whether the hon. Gentleman is suggesting that the two should be merged, but I would have some concerns about that, because it would create an extremely large organisation that dealt with individual supervision, the stability of the financial markets and monetary policy. I am not sure that that is the right approach. I certainly would not want to go back to the regime that we had before 1997. I am not making a party political point; I just think that that regime may have been appropriate in the 80s and 90s but it is not appropriate for the 21st century markets.

We should not lose sight of the following: it was not because of the present supervisory structure that Northern Rock got into trouble. It had a particular business model which left it very exposed in the event that liquidity dried up. It is important that we keep that at the forefront of our minds when deciding what to do. Whatever changes are necessary, it is important to remember what the problem was in the first place and the problem that we are trying to fix.

**Mr. Bernard Jenkin** (North Essex) (Con): As my hon. Friend the Member for Tatton (Mr. Osborne) said earlier, that business model was endorsed by the Chancellor himself in the spring. There is something structurally unsound about expecting the Bank of England to be responsible for the overall stability of the financial system when it is not responsible for the stability of individual institutions, upon which the stability of the markets overall depends. Is he not failing to learn the central lesson of this crisis, which the Government and the Prime Minister were warned about when the Financial Services and Markets Act 2000 was passing through the House? They were warned that dividing the responsibilities left no one in charge. Who should have taken charge? Will the Chancellor answer that question?

**Mr. Darling:** On the present division of responsibilities, as I said in reply to the hon. Member for Louth and Horncastle, before 1998 the Bank of England was responsible for the prudential supervision of banks but not all aspects of what banks were actually doing. I do not think that going back to that system would be a good idea. I have said on a number of occasions that there are lessons to be learned and we will look at them, but a return to the old days is not appropriate.

**Sir Nicholas Winterton** (Macclesfield) (Con): I am conscious of the importance of Northern Rock to the north-east—not only the employment it offers but the valuable contribution it makes to the community through its foundation. However, may I put to the Chancellor a straightforward question, to which I hope he will give a straightforward answer? Did irresponsible lending and the provision of irresponsible packages by mortgage brokers in any way contribute to the problems that were encountered by Northern Rock?

**Mr. Darling:** The problem in relation to irresponsible lending was primarily in the United States. When the sub-prime market collapsed there, it was largely as a result of the fact that people had been able to take out mortgages who were in no position to repay them, especially when interest rates went up. According to the FSA, Northern Rock has a good mortgage book. That

point has been made by a number of my right hon. and hon. Friends, who are aware of the importance of Northern Rock.

The difficulty that Northern Rock had was not because of its exposure to the sub-prime market per se. It was because, as I explained in my statement, when credit virtually dried up, it found it very difficult, with the particular model it had, to refinance its loan book. That is why it got into difficulties. I think that there are lessons for everyone here. In particular, institutions have to ask themselves whether they have any particular exposure and, if there is one key element of their business that is critical, what provision they have if something goes wrong. It is the responsibility of directors as well as regulators to get that right.

**Mr. Colin Breed** (South-East Cornwall) (LD): Is the Chancellor satisfied that the FSA discharged its responsibilities in terms of its supervision of Northern Rock satisfactorily and appropriately, including the normal stress-testing exercise that it would undertake to test any vulnerability to a particular institution?

**Mr. Darling:** If the hon. Gentleman has had an opportunity to read the evidence that Sir Callum McCarthy gave to the Treasury Committee—*[Interruption.]* The hon. Gentleman is a member, so he was there. In which case, he will have heard what Sir Callum had to say about the lessons that the FSA is drawing from this and the steps it is taking to make sure that its procedures can be tightened up.

**Mr. Brooks Newmark** (Braintree) (Con): As a Newcastle United fan, I think I should declare an interest. I appreciate that there is a consultation process going on over the £35,000 depositor guarantee, but why did the Chancellor speak to a national newspaper about a £100,000 guarantee? Surely that undermines his own consultation process.

**Mr. Darling:** It is not unusual for Chancellors, Ministers or indeed Opposition spokespeople to give interviews to newspapers. I said earlier that I would publish my consultation, which I do not want to pre-empt. It is important that people have the opportunity to put forward their views, which the Government will then consider with a view to early legislation.

**Mr. Fraser Kemp** (Houghton and Washington, East) (Lab): My apologies, Mr. Deputy Speaker, for being a little late for the opening of the statement. I was meeting representatives of the staff at Northern Rock.

The decisions that my right hon. Friend has taken are welcomed by people in the north-east, as they have given sufficient breathing space to the company so that it is not bounced into a decision or a sale that would prove unsatisfactory in the short and long term. One of the major considerations in the strategic decision that the bank has to make should be the future of the staff: the many thousands who work in the constituencies of my hon. Friends the Members for Newcastle upon Tyne, North (Mr. Henderson) and for Sunderland, South (Mr. Mullin), as well as those seeking the 2,000 additional jobs at a development at Rainton Bridge in my constituency. My right hon. Friend's decisions have allowed a more rational approach to be taken, rather than allowing the bank to be sold off to a hedge fund, which could have happened within a short period.

**Mr. Darling:** I am not sure if my hon. Friend was here earlier, but the opportunities are now there for the bank to take some important strategic decisions as to what it does in future. I hope that there will be a satisfactory outcome.

**Dr. Roberta Blackman-Woods** (City of Durham) (Lab): I, too, very much welcome my right hon. Friend's statement—I was here for the start—and the emphasis that it placed on maintaining stability in the financial sector. I have heard comments about Northern Rock from hon. Friends from across the north-east whose sentiments I very much share. What pressure are the Government putting on Northern Rock to ensure that the jobs stay in the north-east and that the charitable arm is protected in any future negotiations?

**Mr. Darling:** My hon. Friend is aware of the importance of Northern Rock and its foundation to the north-east. I hope that the directors of the bank can now decide on a satisfactory option for the future, but they have to make the decision; it is their bank. The Government can certainly provide them with support to enable them to get the breathing space to which reference has been made. I hope that the bank and its directors will come to a conclusion as soon as they can that proves to be satisfactory for the future of the bank.

## GREATER LONDON AUTHORITY BILL (PROGRAMME) (NO. 2)

*Motion made, and Question put forthwith, pursuant to Standing Order No. 83A (Programme motions),*

That the following provisions shall apply to the Greater London Authority Bill for the purpose of supplementing the Order of 12th December 2006 (Greater London Authority Bill (Programme)):

*Consideration of Lords Amendments*

1. Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion three hours after their commencement at this day's sitting.

*Subsequent stages*

2. Any further Message from the Lords may be considered forthwith without any Question being put.

3. The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*[Mr. Michael Foster.]*

*Question agreed to.*

# Orders of the Day

## Greater London Authority Bill

*Lords amendments considered.*

### Before Clause 3

*Lords amendment:* No. 1.

1.24 pm

**The Minister for Local Government (John Healey):** I beg to move, That this House disagrees with the Lords in the said amendment.

I welcome the hon. Member for Bromley and Chislehurst (Robert Neill) to the Front Bench and to the Dispatch Box again after last night. During consideration of the Bill, he has moved from the Back Benches to the Front Bench and has seen it through every stage, as has the hon. Member for Carshalton and Wallington (Tom Brake). They have lived with the Bill for longer than I have and I look forward to their contributions.

Lords Amendment No. 1 would amend section 21 of the Greater London Authority Act 1999, to disqualify a person from being the Mayor or an assembly member if they had been Mayor twice before. This would have the effect of restricting the Mayor to two terms of office. The purpose is clear: they cannot beat Ken Livingstone at the ballot box, so they are trying to bar him from standing at all. It should be for Londoners to decide whether they want Ken Livingstone to continue to serve as their London Mayor, not MPs from all parts of the UK and certainly not members of the unelected House in another place. We do not agree with the Tories and the Liberal Democrats on this and we will not accept the amendment.

The amendment goes right to the heart of the GLA's constitution and its key principle of a strong executive Mayor whose democratic mandate and political legitimacy is derived from direct elections. The amendment and the change, as put together by an alliance of Tories and Liberals in the other place, challenges one of the underlying constitutional principles of British political life, namely, that there should be no term limits on any elected representatives to any political office. That applies to MPs, councillors and members of the devolved Administrations, all of whom can serve for as long as the electorate lets them.

I am not alone in arguing this. In Committee, the hon. Member for Surrey Heath (Michael Gove) argued forcefully that

"we have to accept that the whole principle of term limits is alien to the British constitution." —*[Official Report, Greater London Authority Public Bill Committee,* 18 January 2007; c. 329.]

The issue has been well debated in another place and here, and I am aware of the arguments of those who favour term limits for the mayor. They have argued that term limits would provide an important check on an office-holder who yields considerable executive power when in office. They have argued also that it would help the office to be refreshed and reinvigorated regularly, but these arguments do not stand up when subject to scrutiny.

There is a tendency to think that, because the US president and the elected mayors of some US cities have term limits, the Mayor of London should do too. But the electoral arrangements for the office of Mayor of London need to reflect both London's particular circumstances and the wider political and democratic culture in this country. I strongly believe that the regular elections for Mayor every four years under the GLA Act already provide a strong check on an incumbent Mayor. Furthermore, unlike some American cities, London is not a one-party city where a favoured candidate can be shoed into office and remain Mayor for life.

First, the electoral arrangements in place for the Mayor under the GLA Act require that a successful candidate have the support of the majority of voters. Secondly, politics in London is and always has been highly competitive. Finally, given the high national profile of the Mayor of London, all major political parties would naturally and normally want to ensure that they have at least a credible candidate standing on their behalf. These factors together ensure that each mayoral election campaign is hard fought and each campaign gives a fresh mandate to the post of mayor, whether or not it goes to the incumbent.

**Mr. Mark Field** (Cities of London and Westminster) (Con): Where towns or cities are in effect one-party states—there are perhaps more of them involving his party than mine—should there be term limits? I very much agree with almost everything that he said until that point, at which he almost partly recognised that the reason why he did not want to see term limits in London was that it was much more competitive. Surely that should have no effect on the matter.

1.30 pm

**John Healey:** No, I am simply trying to do justice to some of the arguments that were made in debates during previous stages of the Bill. Central to my argument is the principle that the electorate, which in this case is Londoners across London, have the right to throw out an incumbent Mayor; they have the right to pass judgment on the performance of the Mayor at regular elections.

I hope that the sense displayed by the hon. Member for Surrey Heath will prevail with the hon. Member for Bromley and Chislehurst and his colleagues, and that they will back us in the Lobby this afternoon. Unless they do so, people will rightly conclude that they have no confidence in their candidate for Mayor and that they are running scared that Ken Livingstone will win a third term in office.

**Robert Neill** (Bromley and Chislehurst) (Con): I thank the Minister for his kind words. The matters under discussion have been an entertaining "London special" for many of us who have been involved in them. The Bill has had an interesting progress, and I hope that we will not delay the House too long in dealing with the remaining issues.

The purpose of the House of Lords is to raise issues and to ask Members of this House to consider and reflect on matters, but this House should, of course, be the ultimate determiner. It is neither unreasonable nor surprising that this issue was debated in the Lords. What comes across from reading the *Hansard* records

of the debates in the other place is that their Lordships were not only concerned about the term limits issue itself—about which there is legitimate widespread debate, particularly in academic circles—but many of them were driven by a sense of frustration at the lack of internal checks and balances in the operation of the Greater London authority. I have sympathy with their Lordships on the symptoms that they identified but, for reasons that I will come on to, I do not think that the cure proposed is appropriate.

**Mr. Mark Field:** Unlike my hon. Friend, I have not had the opportunity of reading the *Hansard* reports of the Lords debates. Does he know from his close study of them whether their Lordships debated term limits for themselves?

**Robert Neill:** I do not recall that their Lordships wanted to go into that degree of detail—although the debate ranged widely and was well informed.

The Minister makes the legitimate point that it is not a United Kingdom tradition to have term limits—although they do occur in other jurisdictions—but that does not mean that it is wrong to debate the issue. I should add that it is ironic that the Government were unable to muster enough of their own supporters to carry the day, and I hope that the Government will address—they have not done so thus far—the underlying sense of frustration that too much power is concentrated in the hands of the Mayor.

Term limits were one solution that found favour in the House of Lords. I would have preferred it if the Government had listened to the alternative that we put forward in earlier stages of the Bill's progress in this House. We wanted to readdress the checks and balances within the structures of the GLA, to give the assembly more hold over the Mayor, the ability to amend the budget and strategies and greater power to call in mayoral directions. That alternative would, perhaps, have sat more easily with our traditions.

That we will not seek to pursue the Lords Amendment by pressing it to a Division does not mean that we are not frustrated and uneasy that too much power is concentrated in the hands of the Mayor of London—whoever holds the post—and the particular frustration that the current Mayor has aggravated the situation by the way in which he has used his significant powers.

**Mr. Andy Slaughter** (Ealing, Acton and Shepherd's Bush) (Lab): It is uncomfortable for me to witness the hon. Gentleman wriggling. We would like to hear why, in combination with the Liberal Democrats, he attempted a coup in the other place, as the only way he thought it would be possible to defeat the current incumbent, from which he is now having to backtrack at an alarming rate.

**Robert Neill:** I am sorry that the hon. Gentleman's interventions do not become any more considered with the passage of time. What we said in this House was clear, and I restate our position. The wriggling has to be done by those who advocate the current somewhat unbalanced constitutional arrangement within London's devolved structures. The Back-Bench Members who were present throughout the passage of the Bill will know that the Opposition consistently argued that there should be a two-tier strategy to address that, by devolving more strategic powers from central Government to London governance—by getting rid of the Government office for London, for example—and by redressing the balance between the Mayor and the assembly to create a more constructive partnership.

**Mr. Slaughter:** Will the hon. Gentleman give way?

**Robert Neill:** I shall do so once more, and I hope that the hon. Gentleman's intervention will be better this time.

**Mr. Slaughter:** I simply wish to ask a question: will this set a precedent for the Conservatives? Will there be separate and opposite policies in both Houses as a matter of rule? Labour Members would like to know, because if we are to borrow policies, we will have a choice in that case.

**Robert Neill:** The hon. Gentleman's intervention was not any better, and I shall not repeat my mistake.

**Mr. David Evennett** (Bexleyheath and Crayford) (Con): Will my hon. Friend give way?

**Robert Neill:** I shall give way to my hon. Friend.

**Mr. Evennett:** My hon. Friend is making a sound and sensible speech. Londoners want there to be checks and balances and for power to be devolved from central Government to the GLA and Mayor, and then down to the boroughs. Surely that is what we should all be supporting.

**Robert Neill:** My hon. Friend is right. It is important to remember that the boroughs are a third key part of the equation. London governance now rightly consists of a tripartite arrangement between the Mayor, the assembly and the boroughs, and we should be seeking structures that allow those three key elements of London to work constructively together. Their Lordships felt strongly about this issue, and the Mayor brought that change on himself by his own behaviour—the capricious way in which he has used some of his powers.

This issue was raised in the Lords, and it has come back before us in this House. It is not desirable to look at the situation of the GLA in isolation from the rest of our constitutional arrangements. However, although we will not seek to oppose the Government on this issue, it is sad that they have failed to address the underlying cause by not taking on board sensible amendments to balance the powers properly and to prevent the current discontent—which it is no good pretending does not exist—about how the GLA operates.

**Tom Brake** (Carshalton and Wallington) (LD): I am pleased to return to this matter, which I raised in Committee. We had much fun with it, and I regret that the hon. Member for Surrey Heath (Michael Gove) is not present to continue that. I suspect that the hon. Member for Bromley and Chislehurst (Robert Neill) has been put up by his party because, in the light of events in the other place, it is easier for him to wriggle than the hon. Member for Surrey Heath, who would have had to try to face both ways on this subject.

*[Tom Brake]*

In the other place, my noble Friend Lord Tope expressed very well why it would be appropriate for there to be a two-term limit for the Mayor:

"Local government works on a parliamentary system...where power is shared between a number of people, and the leader, however termed, is elected by the council and not directly by the people."

He continued that, in relation to the Mayor of London:

"We moved from that system to an essentially presidential system, where one person has all executive power vested in him or her."—[*Official Report, House of Lords,* 19 June 2007; Vol. 693, c. 116.]

When the matter was discussed in Committee, a number of hon. Members expressed concern that it was a partisan issue that had been raised to try to unseat the current Mayor. I reassured them that that was not the case, and the concerns expressed were picked up by my colleagues in the other place, who tabled an amendment to make it clear that the provision would not apply to the current incumbent.

Another issue that was raised, I think by the hon. Member for Hammersmith and Fulham (Mr. Hands), was whether this rule on fixed terms for executive mayors should apply more widely than to the Mayor of London. We cannot debate that in general terms, but as a general principle I think that when a mayor has executive powers, there is a strong argument for their having fixed terms, whether we are talking about the Mayor of London or someone else.

Labour Members have rightly drawn the House's attention to the fact that there is a split within the official Opposition on this issue. The hon. Member for Surrey Heath was forceful in dismissing this proposal, and it is worth citing some of the more florid phrases used. This is not one of them, but he said that this was

"a proposition that I must concede is flawed...the whole principle of term limits is alien to the British constitution."—*[Official Report, Greater London Authority Public Bill Committee, 18 January 2007; c. 329.]*

As Labour Members, including the Minister, have pointed out, while we may have evolved a constitution that is allergic to term limits, it would seem as if the other place is not as allergic to them as we are in this Chamber.

**Mr. Andrew Dismore** (Hendon) (Lab): I am sure that the hon. Gentleman will correct me if I am wrong, but it was not just the official Opposition who voted for this in the House of Lords—the Liberal Democrats did so, too. Therefore, he has the same problem of wriggling as the Conservative spokesman and is digging just as big a hole—it is big enough for two bendy buses.

**Tom Brake:** I do not know whether the hon. Gentleman was present during Committee, but we supported the idea of two terms then, as indeed we did in the House of Lords. There is no split within the Liberal Democrats on this issue; we are united on the subject. As for whether we shall choose to press the matter to a Division, it is clear that the numbers are unfortunately against us, and I am all in favour of doing business effectively. It might be that on the next amendment, the Opposition parties will be united, because, as the hon. Member for Bromley and Chislehurst said, the budget is an issue on which the Government could have taken action to address hon. Members' concerns about the Mayor's powers, but they omitted to do so.

**Mr. Slaughter:** In Committee, I had the privilege of listening to the hon. Gentleman describe, in a moment of rare self-awareness, one of his speeches as "not my finest hour." I can assure him that it was, in comparison with the position he is taking today. I am still not clear whether the Liberal Democrats are supporting a two-term limit, including for the current Mayor.

**Tom Brake:** I thought that I had made it extremely clear that we are in favour of a two-term limit, but that Baroness Hamwee tabled an amendment in the other place, the purpose of which was to ensure that the proposal was not retrospective and thus would kick in after the next mayoral elections. I hope that that reassures the hon. Gentleman.

**Mr. Slaughter:** As my hon. Friend the Member for Hendon (Mr. Dismore) says, the hon. Gentleman is therefore guilty of exactly the same crime as the official Opposition. In Committee, his line was to have a two-term limit that would apply to the incumbent—he is shaking his head, but he should read what he said—whereas in the other place, as he says, the position had moved slightly. I assume that the reason for that was that his party had given up any hope of this election and was looking towards the next one, but I hope that he will clarify that.

**Tom Brake:** I thank the hon. Gentleman. I merely restate the fact that this was not intended to be a partisan amendment seeking simply to unseat the present incumbent. I am confident that on 10 November, when we will announce our mayoral candidate, he or she will be more than a match for the present Mayor and will, along with the Conservative candidate, have great fun in the next six months.

The proposal would be of huge benefit, because we have moved to a much more presidential system and thus we need to ensure that someone with all the powers and control vested in him or her is not able to continue in post ad nauseam. I hope that I have made it clear that the proposal is not about the present incumbent, with whom I am quite happy, and that the measure would not be introduced retrospectively. However, it should be introduced for future elections and indeed may well need to apply to other executive mayors too.

1.45 pm

**Mr. Mark Field:** I regret that my party was associated with this matter in the House of Lords, because it is wholly wrong that there should be term limits at all. In fairness, I suspect that the idea was to generate a debate, perhaps a slightly academic one. My hon. Friend the Member for Bromley and Chislehurst (Robert Neill) made it clear from the Front Bench what our concerns were: that there are potentially too many powers in the hands of the Mayor.

Certain aspects of power that should be in the Mayor's hands are not, but the continued existence of

the Government office for London under the Minister's tutelage is unacceptable, given the devolution that we have had in the capital city during the past seven years. I, for one, have always said that we should abolish the Government office for London and give some powers back to the boroughs and others to the Mayor. That would be the sensible solution for this capital city.

I take on board what the hon. Member for Carshalton and Wallington (Tom Brake) said. This was rightly intended in a non-partisan way and would not apply to the current incumbent, but such a term limit should not apply at all. I agreed with what the Minister said: this country has no tradition of term limits, nor should we start having them now.

**Tom Brake:** The hon. Gentleman said that he thought that the official Opposition in the other place had simply raised the matter for debate. Baroness Hanham, speaking in favour of two-term limits, said:

"The position should not become monopolised by any one individual or party...The role requires challenge, renewal and refreshment."—[*Official Report, House of Lords,* 19 June 2007; Vol. 693, c. 115.]

Does the hon. Gentleman think that that is simply about engaging in a debate?

**Mr. Field:** To a large extent, it was. I served under Baroness Hanham as a councillor in the royal borough of Kensington and Chelsea, where, coincidentally, I served for two terms, as I believed she did as leader. Perhaps she was putting her money where her mouth was in that particular regard.

**Mr. Simon Burns** (West Chelmsford) (Con): I have been listening carefully to my hon. Friend's thesis. Are the Liberal Democrats not taking an illogical position? Why restrict two-term limits simply to the Mayor of London? Why not, for example, apply them to Members of Parliament, particularly given that the proposal comes from a third-term Member of Parliament?

**Mr. Field:** I shall leave it to the opponents of the hon. Member for Carshalton and Wallington to make that case. On term limits for the leader of the Liberal Democrats, the clock is running quickly for the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), but we shall say no more about those matters.

The arrangement for the United States presidency is a special situation. The founding fathers had particular safeguards in mind when they decided to have two-term limits for the presidency.

**Mr. Burns:** Will my hon. Friend give way?

**Mr. Field:** I shall give way to a great friend of mine whose knowledge of American politics knows no limits.

**Mr. Burns:** I do not wish to upset my hon. Friend, but I should mention that the founding fathers had no view on the subject. This was a rather nasty proposal made by the Republicans in the 1950s because Franklin Roosevelt had broken the tradition of serving just two terms and had been elected to his fourth term, and they wanted to ensure that no Democrat ever did so again.

**Mr. Deputy Speaker (Sir Alan Haselhurst):** Order. Extending the debate to the outer limits of Chelmsford is one thing, but extending it across the Atlantic is something else.

**Mr. Field:** I know that the loquaciousness of north Essex Members knows no bounds, but I think that we will leave it at that. This country has no tradition of term limits and such a proposal would be highly regrettable. Even in the United States, a number of members of the Senate and Congress have famously served for many decades and many terms of office. I agree with what my hon. Friend the Member for Bromley and Chislehurst had to say, and I hope that we will not support the Lords amendment. If it is pressed to a Division, I shall vote with the Government. We shall see what the Liberal Democrat spokesman has to say about the disreputable suggestion for term limits in this regard.

**John Healey:** The hon. Member for Bromley and Chislehurst (Robert Neill) set out some general concerns and arguments that he and others have rehearsed during the course of the Bill about the proper balance of power between the Mayor and the assembly within the Greater London authority. There are measures in the Bill to reinforce the hand of the assembly in carrying out its proper scrutiny role in relation to the Mayor. There is the introduction of confirmation hearings and the requirement for the Mayor to have regard to the responses that the assembly may make to consultations and strategies that the Mayor proposes. There is the capacity to amend the budget, which we shall discuss before too long. The Bill is also about building on what has been a successful policy of a strong executive Mayor for our capital city. I make no apologies for that.

The Liberal Democrats and the Tories, having voted in the other place to try to keep Ken Livingstone out of office, now seem rather embarrassed by the actions of their colleagues in the other place. There has been a good deal of squirming and swivelling on the Front Benches this afternoon. I look forward to seeing how they decide to vote. It is clear from the Conservative Front Bench that the hon. Gentleman has comprehensively disowned the arguments and stance of his colleagues in the upper House. In some ways that gives a new meaning to the process of ping pong between the two Houses. We have a ping pong of Tory policy on this Bill.

In January the official Front-Bench position of the Conservatives was set out by the hon. Member for Surrey Heath (Michael Gove). He said,

"any attempt to call for term limits will inevitably be seen as an attempt to clip Ken's wings rather than ensure that the principle applies impartially to the mayoral office...we do not believe in term limits in principle or for the Mayor of London."—[*Official Report, Greater London Authority Public Bill Committee,* 18 January 2007; c. 329-31]

By June the official Conservative Front-Bench position was set out by Baroness Hanham. She said:

"The office of Mayor in this country is now the nearest thing we have to a dictator...the Mayor should be entitled to run for only two terms of office".—[*Official Report, House of Lords,* 19 June 2007; Vol. 693, c. 115.]

Clearly, they had come to the conclusion that they could not beat Ken, so they must ban him. I am sorry that we shall not have the benefit of the views of the hon. Member for Henley (Mr. Johnson) on this matter, as he is not in the Chamber at present.

*[John Healey]*

The argument and the position of the hon. Member for Carshalton and Wallington (Tom Brake) are not strengthened by a special get-out clause for Ken, allowing him to stand this time, but to impose the principle of fixed term limits for the Mayor of London in future. An incumbent Mayor should be able to seek re-election on the basis of his track record and it should be the electorate—in this case Londoners across the capital city—who have the right to reject or elect him to serve a further term.

**Clive Efford** (Eltham) (Lab): It is a curious position of principle to suggest that because someone does not like the outcome of a democratic election, they will tinker with the process. As the hon. Member for Henley (Mr. Johnson) has left the Chamber during the debate, can my hon. Friend ask whether the Opposition spokesman will intervene and tell us whether he intends to vote with the Conservative Whip or not? The people of London would have been interested in the views of a mayoral candidate on this particular issue.

**John Healey:** My hon. Friend is right. Shortly we shall see the decisions that all hon. Members, particularly those on the Opposition Front Bench, make in voting.

My essential argument is that it remains rightly for the electorate to make this decision. It remains for the incumbent Mayor to stand on the basis of his track record. It remains for Londoners, not Members of this House or the other place, to make this decision. That is the principle that sits at the heart of elected office at all levels in this country.

I welcome the brief intervention and contribution from the hon. Member for Cities of London and Westminster (Mr. Field). I have long experience of debating a number of matters with him and he is always the voice of reason of the Conservative party. He is right that we have no tradition of fixed terms in this country. I welcome his promise of support for us in the Lobbies on this matter, and I hope that the hon. Member for Bromley and Chislehurst (Robert Neill) will do so too.

*Lords amendment disagreed to.*

**Before Clause 12**

*Lords amendment*: No. 2

**John Healey:** I beg to move, That this House disagrees with the Lords in their Amendment.

The hon. Member for Bromley and Chislehurst (Robert Neill) touched on the question of the budget and the budget-making process and powers. I can understand the superficial appeal of this amendment. It is reasonable to say that to a detached observer it may seem only fair that an assembly should be able to exercise its power to amend the Mayor's final draft consolidated budget by simple majority rather than the two-thirds majority currently required. However, the principle of the two thirds majority goes to the heart of the governance of the GLA—a governance and a model that has served London well since its introduction. I shall explain to the House why that principle is so important.

The amendment cuts directly across the principle of a strong executive Mayor and an assembly holding him to account for his actions through effective scrutiny. The budget plays a central role in this model. It allows the Mayor to propose a funding package to implement his policies, priorities and proposals. It allows the assembly to amend only if a broad consensus—in other words, two thirds of assembly members—are minded to do so. It is an important check and balance on the Mayor. It ensures that he cannot take the assembly for granted in proposing his annual budget, but it is also a clear signal to the assembly that it must work together to amend the Mayor's budget proposals formally.

I was glad to see that that approach was endorsed by Lord Heseltine in his recent taskforce reports published in June. He recommended that city Mayors

"should be subject to loose scrutiny by the Assembly, who would require a two thirds majority to block executive actions."

The GLA budget-making process is based exactly on that principle and approach. The Mayor first presents the assembly with a draft budget, which it may amend by a simple majority, and then a final draft budget, which it can amend by a two-thirds majority. That allows the assembly to exert real influence over the Mayor in terms of his budget priorities—influence which the GLA itself acknowledges has saved more than £125 million by reining in, in their terms, the Mayor's budget proposals.

In contrast, to allow the assembly to amend the final budget by a simply majority would in effect mean the assembly, not the Mayor, would routinely set the GLA budget. It would fundamentally weaken the Mayor's position, which may indeed be the hidden purpose of the amendment, and it risks a complete disconnect, therefore, between the budget and the Mayor's priorities. If hon. Members pause and consider such a position, it is clear that that risks deadlock between the assembly and the Mayor. It risks conflict and an impasse which would be bad for the GLA, for London and for Londoners.

The debate in the other place has been helpful. It has shed important light on how the budget process has been handled in city hall to date, and on two commonly held misconceptions about the role of the assembly in the budget-making process. The first misconception is that assembly members cannot vote in favour of specific amendments because in doing so they would be voting to accept other parts of the Mayor's final draft budget with which they might disagree. That argument fails to take sufficient account of the provisions of the original Greater London Authority Act 1999. Schedule 6 of the Act makes it clear that the assembly must approve the Mayor's final draft budget, with or without amendment, with a two-thirds majority needed to make any amendment. The Act could not be clearer about the assembly's statutory duties in setting the annual budget. Assembly members have no option to "reject" the Mayor's final draft.

2 pm

The second misconception seems to be that the assembly can amend only the final draft of the GLA consolidated budget, not the component budgets of which it is comprised. Let me reiterate the explanation and the assurance that we tried to give in the other place. The assembly may, if it chooses, amend any one

or more of the final draft component budgets—the budgets of the Mayor, the assembly and the four functional bodies. In so doing, it can amend the final draft GLA consolidated budget, too.

Hitherto, the annual GLA budget-setting process has not worked in that way. The assembly has voted instead on broad packages of amendments to the consolidated budget as a whole, proposed by each of the main parties; in effect, the assembly votes to accept or reject an alternative budget rather than seeking to amend the Mayor's final draft. That approach is perfectly valid, although I think the House appreciates that it is not one that readily lends itself to cross-party agreement. It should come as little surprise, therefore, that the assembly has not, to date, secured a two-thirds majority for change. However, it is open to the assembly to approach its role in that way—differently from how it has approached it in the past—and to make the most of its existing powers by forging coalitions of common interest to amend the budget. Surely that is the right way forward—not making fundamental changes to the successful Greater London authority model, not blurring the currently clear division between executive and scrutiny functions and not, in effect, allowing the assembly to set the budget, thus risking deadlock between the Mayor and the assembly.

I hope that the debate this afternoon will help to illuminate further some of the misconceptions and that Members will appreciate that the budget-making process, as set out, is a central part of the model in the 1999 Act. I hope that the amendment will not be pressed to a vote, but if it is I ask the House to disagree.

**Robert Neill:** In our judgment, the other place has clearly and significantly improved the Bill in this case and I hope that we maintain the amendment, because, with every respect to the Minister, he places undue faith in the working of the current model. He suggests that it is a model and a system of governance that has served Londoners well. I am not sure that Londoners whose council tax has increased by more than 100 per cent. during the Livingstone years will regard it as a model that has served them well at all.

For a model to be effective it is important that it is comprehensible to the electors it serves. Part of the argument advanced for the creation of the Greater London authority was that it would be a more transparent form of governance for the city. However, the budgetary arrangements and the two-thirds majority requirement are manifestly opaque; they bear no relation to anything that happens in local government either in the UK or almost anywhere else.

It is suggested that the proposal is incompatible with a strong-mayor model. That is not the case. The most obvious example of a strong-mayor model, which is frequently prayed in aid in these circumstances, is the situation in the city of New York, where the city council has the power to amend the mayor's budget by a simple majority. The council has always had that power and several members of the London assembly—I should declare an interest as a member—had the opportunity to visit New York last year, to talk to members of the budget committee and the mayor's office to see how the budget-setting process worked. At the end of the day, strong mayors have always been able to get the budgets they need to pursue their policies in New York. The idea that the process ends up in deadlock is not borne out by the facts; it is pure scaremongering invented by those who support giving the Mayor altogether too much power, concentrated in one pair of sometimes rather unsteady hands.

In New York, there have been two successive strong mayors, Rudy Giuliani and Michael Bloomberg, both of whom have been able to get the supply they required through a city council that was between 80 and 90 per cent. Democrat—the opposite party to theirs. If they can do it, under a system that requires a simple majority, I am darned sure that any Mayor of London, of any party, can do the same. I am equally sure that the next Mayor of London will have no difficulty in doing so.

**Hon. Members:** Hear, hear.

**Mr. Slaughter** *rose—*

**Robert Neill:** I shall make a little progress before I indulge the hon. Gentleman.

It is important that the system is transparent to electors. The average elector thinks the current system is manifestly absurd. The last two of the Mayor's budgets were passed having lost 16 to nine in the assembly. If we asked any citizen of the UK where someone could lose 16 to nine and still win, the answer would be that the only place that could happen would be city hall and the only person who could do it would be the Mayor of London, who had much enjoyment sitting in the gallery shouting "Passed" every time the assembly defeated one of his propositions. That is the type of jiggery-pokery that brings politics into contempt and disrepute. People see their elected representatives in the assembly, who have as good a mandate as the Mayor, in effect, emasculated. That is not healthy or sensible governance.

**Mr. Slaughter** *rose—*

**Robert Neill:** I give way to the hon. Gentleman who is itching to speak.

**Mr. Slaughter:** I am most grateful to the hon. Gentleman. I am pleased to see that the hon. Member for Henley (Mr. Johnson) has returned to the Chamber. I thought he might have gone off in a huff, having come to see his opponent disqualified and not received satisfaction from the hon. Member for Bromley and Chislehurst.

The hon. Gentleman is doing better on this amendment than on the last, although that is merely to damn him with faint praise. The problem with his argument is that it is quite clear why the strong mayoralty was set up with a qualified veto. So far, he has said nothing that detracts from that point.

**Robert Neill:** Perhaps the hon. Gentleman should have been more patient, because I was dealing first with the lack of transparency. The Government set out transparency as one of their criteria, but have largely departed from it. I shall finalise that point. The process is opaque; it makes no sense to the average citizen that their assembly member and the majority of the

*[Robert Neill]*

assembly voted against a budget that was imposed on them anyway. In fact, for the past three years the assembly budget has been cooked up by a back-door cabal. To get the number of votes he required to block any amendment, the Mayor did a backstairs deal with the Green party. So peculiar was that deal that in its first year it involved him buying the support of the Greens by giving their party money to oppose policies that he was asking the assembly to vote him money to pursue. That is about as bizarre as it could be and if it does not bring politics into disrepute, I do not know what does.

Such a situation could only happen in Livingstone-land of course, where the logic is entirely different to that which applies to ordinary human beings. It is also far from transparent and hints at another feature of American big-city politics that I hope we do not want to import—pork-barrel politicking. That is the risk we run when a budget can be put together by stitching up backstairs deals as happens at present. We want to bring things transparently on to the floor of the assembly and to have the debate there. That is an entirely comprehensible proposition; it works well everywhere else in the UK.

A final point that is worth mentioning is that the Minister said that, under a strong model, the budget should be amended only when there is broad support for doing so. First, that is not necessary intellectually for a strong mayoral model to work, as has been demonstrated in the American examples; but in any event, like it or not—I personally do not, but it is a fact of life—the assembly is elected under a proportional representation system. Therefore, in fact, to amend the budget, even by a simple majority, it is necessary in practice for more than one party to come together. So a mayor of one party and a completely dominant opposition party in the assembly could not block each other and get into deadlock. In fact, the assembly would have to work on a consensual basis even to achieve a simple majority. That might be a healthy thing.

The interesting observation that I found from many people in New York, both officials and consumers, when I discussed their budgetary process was the fact that a measure of creative tension was judged not a bad thing, because it also required the mayor and the city council to work in sensible partnership. That would be an altogether more mature and healthier situation for governance in London.

The Government are therefore wrong to seek to disagree with the Lords amendment. The Lords were wise in asking us to reconsider. Their amendment improves the Bill, and we will certainly resist any attempt to remove it.

**Tom Brake:** Again, I am pleased to return to this matter, which was debated at greater length than any other in Committee and, of course, picked up in another place.

As the hon. Member for Bromley and Chislehurst (Robert Neill) has said, the Minister and other Government Members have suggested that this budgetary arrangement has served Londoners well. However, as the hon. Gentleman has pointed out, the fact is that the Mayor's precept of the council tax has increased by 100 per cent. in four years, and most Londoners would say that that does not serve them very well. For that reason, we proposed a measure in Committee that would have increased transparency and allowed separate billing for the Mayor's precept, so that when people received their council tax bills and complained about the fact that their local councils had put up their council tax by 4 or 5 per cent, or by something above the rate of inflation, they would also receive a bill setting out the Mayor's precept. They would then be able to see that the Mayor had very generously put up his precept by 25 per cent. or by something of a much larger nature than the local authorities had done. I am afraid that, of course, the Government were not in favour of transparency in billing. Therefore, many people remain in the dark about how generous the Mayor has been with their council tax.

We have reached very strange times when the Minister feels the need to invoke Lord Heseltine's view as a justification for supporting this budgetary arrangement. It is in fashion for the Government to adopt things, but they are going to the extent of adopting Lord Heseltine's view in defence of their proposal. As the hon. Member for Bromley and Chislehurst has said, no one outside the House or the Mayor's office will understand a budgetary arrangement whereby a budget can be passed when 16 assembly members vote against it and nine support it. No one would see reason in that sort of arrangement. That is why, if the official Opposition choose to press the motion to a vote today, we will certainly join them. The budget and the Mayor's ability to push his budget through with minimal support goes to the crux of what is wrong with the present arrangements.

The Minister said that requiring a majority to support the budget risks conflict and impasse. I do not agree at all. What it risks is the Mayor having to sit down and agree with a majority of assembly members in the different parties that they will support his budget. That arrangement seems to work quite well in local authorities throughout the country, where Conservative and Liberal Democrat administrations, Liberal Democrat and Labour administrations or, quite possibly, Conservative and Labour administrations work together and reach arrangement on budgetary issues and policies. We should not be afraid of that, but it seems as though the idea that the Mayor of London should have to achieve a consensus with assembly members is so appalling and alarming to the Government that they cannot possibly entertain it.

We think that this is a matter of huge importance. It is probably the most important issue that we need to address to try to make the whole process more democratic, more accountable and more open. We sincerely hope that the motion will be pressed to a vote and that we can command a majority of support against the Government, so that we in the House adopt what was sensibly proposed in the other place to ensure that the budget must be passed by a majority.

2.15 pm

**Mr. Mark Field:** The Minister is right when he says that we want a strong executive Mayor. I share and understand some of the concerns that he has expressed

about the problems that might arise with deadlock, which would be in no one's interest, not least the people of London. However, it might have ensured that some of the Mayor's profligate spending in the past seven years was kept in check. As a number of hon. Members have rightly suggested, the mayoral precept has gone up by well over 100 per cent. In fact, it has almost increased by 180 to 200 per cent. since the mayoralty came into being.

**Tom Brake:** The hon. Gentleman mentions deadlock. When I asked the officers of the Conservative-Liberal Democrat administration in Birmingham whether deadlock was causing a problem in regeneration issues, for instance, they said, "No, things work perfectly well."

**Mr. Field:** The hon. Gentleman is absolutely right. Of course, there are many examples across the country of those in coalition local authorities working well together. However, there are other examples of where such arrangements have not worked well and where the situation is much more unstable—not least, obviously, where elections take place annually, rather than every four years.

As someone who lives in the city of Westminster—as other hon. Members do, and the hon. Member for Regent's Park and Kensington, North (Ms Buck) is here—I know that we council tax payers in Westminster now find that more than half of our council tax is due to the mayoral precept. Yet the Mayor is responsible for cleaning not a single street, emptying not a single bin or running not a single school or social services department. That enormous amount of money is spent in what we regard to a large extent as a fairly unaccountable way, because of the way in which the system works for the GLA. That is the reason why we would like a simple two-thirds majority to be used, and I hope that that case was made very powerfully by my hon. Friend the Member for Bromley and Chislehurst (Robert Neill).

The Government are almost trying to get a double lock. Of course, the whole system for the GLA was set up to ensure that there was not a single majority party. My own party won nine of the 14 first-past-the-post seats at the last GLA elections and the Labour party won five seats at that juncture, compared to eight and six in the first elections in 2000. As a result, a lock was put in place, with 11 of the members being on a top-up proportional representation basis from the Liberal Democrats, the Green party and UKIP or Veritas. The lock was designed to ensure that no party had a majority, yet the two-thirds arrangements make it almost impossible for a sensible discussion to take place with any Mayor who digs his heels in on budgetary matters.

Given the arrangements for proportional representation in the GLA, a simple majority would be a sensible way forward. That would not necessarily lead to deadlock. Inevitably it would require a Mayor to slash certain aspects of his budget, but that would be done through the usual negotiations in politics. That would be an acceptable way forward for the people of London.

The biggest concern of many of my constituents is the budgetary considerations of the mayoralty, which are getting out of control. It would be undesirable for more than half the council tax of other London boroughs to be in the hands of a largely unaccountable GLA and mayoralty. We want to consider other issues related to the powers of the mayoralty, which we discussed earlier. We hope the Government will ensure that there is a proper democratic safeguard for budgetary arrangements in the GLA.

**John Healey:** As I tried to explain to the House, and as the hon. Member for Cities of London and Westminster (Mr. Field) has just urged, there is a democratic safeguard in the current arrangements. It is in the original 1999 Act and has worked well to date. The Lords amendment would undermine, not reinforce, that.

In his comments about New York, the hon. Member for Bromley and Chislehurst (Robert Neill), speaking from the Conservative Front Bench, illustrated why it is not possible to translate the models of other cities to our circumstances, and why it is important that we continue to fashion the arrangements that are appropriate for our political tradition and our capital city. He cites New York and the budget-making process there, but he knows that there are almost three times as many members of the New York city council. He knows, because he has discussed the matter before with my hon. Friend, that those members have only a local mandate and that generally, when they seek to challenge the mayor of New York's budget, they do so because they are pursuing support for local issues—precisely the sort of risk of pork-barrel politics that the hon. Gentleman is so keen to avoid.

**Robert Neill:** Can the Minister help me on two short questions? First, in our tradition and process, where is there any example of a two-thirds majority being required to pass a budget? Secondly, is he aware of the evidence given by organisations in New York that the situation there has

"never caused any gridlock in the New York political process"?

**John Healey:** The point that I was making is that the New York model does not translate. Instead of all members of the city council, as in New York, having local-only mandates, 11 out of the 25 members in London have a city-wide mandate, without a constituency mandate. In terms of the general approach to mayoral systems, in other parts of the country where they exist, they largely replicate the one that we have in London.

**Robert Neill:** Is the Minister saying that there is any other city or town in the United Kingdom which has a directly elected mayor where the local council requires a two-thirds majority to amend the budget?

**John Healey:** Yes.

The hon. Gentleman went on to talk about back-stairs deals. One could look at the budget process and the way that the Mayor has managed it in those terms, but one could also look at it as effective coalition building—precisely the thing that the Opposition parties have failed to do in the budget process. It is reasonable to see the role that the Greens have played as an example of the way in which assembly members can and do effectively influence the Mayor's budget priority through the budget-making process.

**Robert Neill** *rose—*

**John Healey:** Does the hon. Gentleman wish to come back?

**Robert Neill:** It will be the last time. I would be grateful if the Minister would clarify a comment that he made earlier, when I asked him whether there was any town or city in the UK where the council had to pass the budget by two thirds. Can he tell us?

**John Healey:** Yes—Doncaster, Watford, Hackney.

I return to the point that I was making. Out of the 25 elected Assembly members at present, nine are Conservative and five are Liberal Democrat. It is simple maths to calculate that already there is a simple inbuilt 50 per cent. majority if the two parties co-operate. That leads me to my earlier argument. If the majority were set as a simple majority for amending the final budget, it would routinely set the Mayor against the Assembly, it would undermine the authority of the Mayor in the budget-making process, it would fundamentally weaken his position, and it risks a complete disconnect between the elected Mayor's priorities for the city and the budget-making process.

**Tom Brake:** Will the hon. Gentleman give way?

**John Healey:** No. I am sorry. I am finishing on that point.

For the reasons that I have set out, I urge my hon. Friends to disagree with the amendment made in the other place.

*Question put,* That this House disagrees with the Lords in the said amendment:—

*The House divided:* Ayes 278, Noes 165.

**Division No. 208]** **[2.25 pm**

**AYES**

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jones, Helen
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis

Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C.
*(Sheffield, Hillsborough)*
Smith, John
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony
Wyatt, Derek

**Tellers for the Ayes:**
**Alison Seabeck and Ms Diana R. Johnson**

**NOES**

Afriyie, Adam
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baron, Mr. John
Barrett, John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Conway, Derek
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorries, Mrs. Nadine
Duddridge, James
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gidley, Sandra
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Keetch, Mr. Paul
Kirkbride, Miss Julie
Kramer, Susan
Laws, Mr. David
Letwin, rh Mr. Oliver
Lidington, Mr. David
Llwyd, Mr. Elfyn
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
May, rh Mrs. Theresa
McIntosh, Miss Anne
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Öpik, Lembit
Osborne, Mr. George
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Rowen, Paul
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Teather, Sarah
Thurso, John
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

**Tellers for the Noes:**
**Mr. David Evennett and Michael Fabricant**

*Question accordingly agreed to.*
*Lords amendment disagreed to.*

**Clause 22**

THE HEALTH INEQUALITIES STRATEGY

*Lords amendment*: No. 3.

**John Healey:** I beg to move, That this House agrees with the Lords in the said amendment.

**Madam Deputy Speaker (Sylvia Heal):** With this we may discuss Lords amendments Nos. 4 to 9.

**John Healey:** We have reached a group of amendments that the Government tabled in the other place in response to the debate that took place there and in this House. The amendments constitute useful additions and, in some places, important strengthening of the provisions. I pay tribute to hon. Members in both Houses who helped us to frame them and I look forward to discussing them this afternoon.

I shall deal first with the amendments that relate to health. Amendment No. 3 inserts the London boroughs and the City of London into the list of bodies and persons whose role in implementing the health inequalities strategy the Mayor must describe. Inclusion of the boroughs in the list also results in their being consulted by the Mayor during the early rather than the final stages of developing the strategy. That is sensible, because they have an important role to play in helping pursue the strategy.

Amendments Nos. 4 and 5 seek to improve the drafting of the provisions about general health determinants in proposed new section 309F(5).

Amendment No. 7 is a minor drafting change, which simplifies the process of consultation on the Mayor's health inequalities strategy.

Let me consider the amendments on housing. The Bill already contains provisions that require the Mayor to consult the London boroughs, the Corporation of London and any other person who is considered appropriate on the London housing strategy. That is in line with arrangements for other London strategies for which the Greater London Authority Act 1999 provides. However, uniquely, delivery of the London housing strategy will be heavily dependent on the Housing Corporation and registered social landlords. Amendment No. 8 therefore introduces an explicit requirement for the Mayor to consult the Housing Corporation and bodies that represent registered social landlords on a new or revised London housing strategy.

I hope that the amendments make sense. It is clear to me that they will improve the process of preparing and delivering the strategy and I commend them to the House.

**Robert Neill:** The Minister and I are in accord on the amendments and I am grateful to him for the spirit in which he moved them. I agree that they are sensible and improve the Bill. They attracted support from all quarters when they were discussed previously.

I highlight amendment No. 3 because I especially welcome the recognition of the role of the London boroughs in health matters. As I said in an earlier debate, it is important to stress the importance of partnership between the Mayor and the boroughs from the earliest possible stage. I wish that the Mayor would sometimes recognise that as much as the amendments do. However, given the spirit in which the amendments have been moved, we are happy to accept them.

**Tom Brake:** I, too, support the amendments. If I were being churlish, I would question the reason for missing out local authorities the first time from the health inequalities strategy, given their prominent role in sport, care for the elderly and so on. However, I do not want to be churlish, so I simply emphasise that I support the amendments.

**Mr. Mark Field:** Like other hon. Members, I support what the Government are trying to achieve. However, in view of the many planning measures that will be introduced, I hope that there will be a culture of greater transparency, especially on housing-related matters. I speak with a constituency interest in mind about the large-scale development in the Victoria area. There is grave concern among my constituents that a deal has been done between Transport for London, which is under the Mayor's auspices, and the developer, Land Securities, for some £270 million. Consequently, the current proposal is that there will be no social or affordable housing on the site. All residents in the Victoria area greatly regret that.

I appreciate that I have raised a specific issue and that we are at an early stage in the process. I wanted to make the simple point to the Minister that, on housing negotiations between the Mayor, housing authorities and the Housing Corporation, greater transparency is vital as far as that is possible. I appreciate that much of the lack of transparency is institutionalised in the planning regime, particularly given the manner in which section 106 agreements operate, which many of us in the House and those who have served as local councillors regret. However, I hope that the point will be borne in mind in this Bill and in other legislation that the Government bring forward.

2.45 pm

**Clive Efford:** The hon. Gentleman has spoken with a great deal of common sense in this debate, although we were on opposite sides about the Mayor's accountability for the budget. He has shown great attention to detail on the Bill, so will he tell the House whether he was overlooked as a candidate for Mayor or whether he was rejected in the selection process? Unfortunately, the Conservative party's candidate for Mayor does not seem to have a view on anything in the Bill—

**Madam Deputy Speaker:** Order. I am not sure that the remit of the amendment includes who or who is not being considered as a candidate for Mayor.

**Mr. Boris Johnson** (Henley) (Con): Perhaps I could just say that I want very much to echo what my hon. Friend the Member for Cities of London and Westminster (Mr. Field) has said. In supporting and welcoming the spirit of the amendment, I think that I speak for a lot of people in this Chamber when I say that anything that encourages more co-operation and consultation between the Mayor and the boroughs is a good thing. I therefore think it wholly right that we should—

**Mr. Dismore:** Will the hon. Gentleman give way?

**Madam Deputy Speaker:** Order. The hon. Gentleman clearly is not giving way at this moment.

**Clive Efford:** On a point of order, Madam Deputy Speaker. If an hon. Member is going to make a contribution in such a debate, should they not at least know what is under discussion?

**Madam Deputy Speaker:** I think that that will become evident from the remarks that they make.

**Mr. Boris Johnson:** I think that everybody in the House wants to see a mayoralty that responds to the wishes of local communities and that works with the boroughs and not against them in imposing planning decisions that go against the wishes of locally elected politicians. That is exactly the direction in which the amendment is going and that is why I approve wholeheartedly—

**Mr. Slaughter** *rose—*

**Madam Deputy Speaker:** Order. The hon. Gentleman is clearly not giving way at the moment. Have you concluded your remarks, Mr. Johnson?

**Mr. Boris Johnson:** I have.

**John Healey:** I welcome the hon. Gentleman to the debate. We missed his contribution and his presence in earlier debates. May I tell him that he was in fact speaking to the next group of amendments? We are talking about housing strategy and health, but we will come to planning next. I hope that he will stay and contribute to that debate as well.

*Lords amendment agreed to.*

*Lords amendments Nos. 4 to 9 agreed to.*

## Clause 31

DUTIES IN RELATION TO CONSULTATION

*Lords amendment*: No. 10.

**John Healey:** I beg to move, That this House agrees with the Lords in the said amendment.

**Madam Deputy Speaker:** With this it will be convenient to take Lords amendments Nos. 11 to 16.

**John Healey:** In this group we propose a number of amendments to the planning clauses of the Bill, following useful and valuable scrutiny undertaken in this House and the other place.

Lords amendment No. 16 introduces new clause 2E, which introduces into the Bill the requirement for the Mayor to give the local planning authority and the applicant an opportunity to make oral representations to him about a development proposal. It is designed to do what the hon. Member for Cities of London and Westminster (Mr. Field) was urging, namely to make the planning process more open and transparent. It further requires the Mayor to prepare and publish a document setting out any other persons from whom he will hear oral representations, the procedures that he will follow for considering oral representations and the arrangements for identifying the factual information that is agreed by the parties. I hope that the House will welcome this approach.

Lords amendment No. 16 also requires the Secretary of State to apply, by order, the terms of the Local Government Act 1972. Those requirements will ensure that representation hearings are open to the public and that the public have access to agendas and reports. That is designed to ensure that mayoral decision making in the process is as open and transparent as that of borough planning committees. We will apply those requirements through a Mayor of London order, a draft of which I have already made available to the House.

On a wider point, which is none the less directly connected to the amendments, we have made it clear throughout the passage of the Bill, in this House and in the other Place, that decisions on applications should be taken by the boroughs wherever possible. Indeed, our proposals expressly provide for that. It is important that the Mayor takes only the decisions that it is appropriate for him to take. Lords amendment No. 12 makes an important change to give further effect to that principle. It will provide an express power for the Mayor to pass the decision making back to the relevant borough on subsequent applications for the approval of reserved matters or the approval of details under a listed building consent, where he has already determined the earlier outline application. That new provision, alongside clause 33, will ensure that decisions on all applications are taken at the appropriate level.

**Mr. Charles Walker** (Broxbourne) (Con): As someone who did not serve on the Bill Committee I am perhaps not as au fait with this matter as I should be. Will the Minister give the House a couple of scenarios in which the Mayor might get involved?

**John Healey:** The provisions in the Bill allow for the Mayor to get involved in major developments and applications that might have a wider, strategic significance. In the amendments, and in the Bill, we are keen to ensure that decisions are taken at the appropriate level, and that wherever appropriate local boroughs continue in their role as the planning authority. The amendments in this group, which we passed in the other place, strengthen that principle and put in place for the future a more balanced system that will serve London well.

**Robert Neill:** I should like to deal with the detail of the amendments fairly briefly, before coming to the underlying principle, on which our stance is different.

I do not quarrel with the detail of the amendments that the Minister has put forward. It is obviously right and sensible to place the requirement in Lords amendment No. 16 in the Bill. We argued for that in Committee and I welcome this recognition of our argument. However, that does not alter the fact that we thoroughly dislike the principle underlying the amendment, namely that the Mayor should have the ability to take planning applications away from the boroughs and decide on them centrally. In our judgment, that is a profoundly anti-localist, anti-devolutionary measure. The amendment at least makes the operation of an undesirable system more acceptable in regard to practical issues, so we will not seek to oppose it, but that does not for one second mean that we think that this is a wise course of action for the Government to embark on.

On Lords amendment No. 12, although it is perfectly sensible to pass back issues of detail on reserved matters, the underlying principle of letting the Mayor get involved in the first place is, in our judgment, flawed. The degree to which the Bill will allow the

*[Robert Neill]*

Mayor to interfere in planning matters far more than before is a much greater recipe for conflict than any of the issues concerning the budget and the Mayor and the assembly that we have discussed. The history of London government is full of tension and conflict between the upper tier and the boroughs. That was so with the old Greater London council and elsewhere.

**Mr. Lee Scott** (Ilford, North) (Con): Does my hon. Friend agree that the amendment, however helpful in improving the position, does not lend itself to the task of trying to involve local people in local decisions? It puts the Mayor in a position to override local wishes, which, frankly—unlike the future Mayor, my hon. Friend the Member for Henley (Mr. Johnson)—he could not care less about.

**Robert Neill:** I agree with my hon. Friend. A regrettable fact of London life is that the Mayor has not approached planning matters with anything like the spirit of reasonableness and restraint that the Minister displays in speaking to these amendments today. I regret to say that I have no confidence that the current Mayor will use these powers with the degree of restraint and sensitivity that the Minister clearly hopes for. Again regrettably, the evidence of the Mayor's behaviour so far is very much to the contrary. We have seen too many examples of worthwhile developments in London being delayed and potentially prejudiced by the Mayor's needless interference, which is not in Londoners' interests.

With a very large caveat, we will not seek to oppose the amendments; we recognise that they provide amelioration of a system that we believe is flawed in principle. At some point, a future Government—a Conservative Government—will have to return to effect a better balance in achieving planning policy in London.

**Tom Brake:** I echo the hon. Gentleman's points. What the Government are proposing will certainly improve a flawed system, but that system remains flawed and the concerns raised in this House and the other place about the Mayor's planning powers continue to be held. Regrettably, the amendments will not change that situation in any respect. We will not oppose them because they at least slightly improve the flawed system.

**Mr. Mark Field:** We have rehearsed on several occasions in the House and in Committee our concerns about strategic powers and, more precisely, what a strategic planning power means for the Mayor. We are not entirely satisfied and we will have to see how the system operates over a period of time before we can move forward.

I would like the Minister to comment on this narrow point. How does he view the operation of appeals—direct appeals by the public or resident associations? How will appeals operate as between local boroughs and the Mayor, and what of the ultimate right of appeal to the Government inspector? Does he envisage that where the Mayor has called in a particular planning application, it will preclude central Government from doing so under any circumstances, or will there still be a safeguard—and perhaps further complication and delay—in the hands of central Government to call in such an application? From the perspective either of developers or of local communities that want a particular development in their area, it would be highly undesirable if the process led to yet another layer of delay and bureaucracy. Does the Minister envisage that where the Mayor calls in an application in London, central Government will not do so?

**John Healey:** I welcome both Opposition parties' support for the amendments, if not for the broader principles, relating to this part of the Bill. The system is very complicated, so I will write in response to the hon. Member for Cities of London and Westminster (Mr. Field) to provide the detail that he requests.

*Lords amendment agreed to.*

*Lords amendments Nos. 11 to 16 agreed to.*

**After Clause 36**

*Lords amendment:* No. 17.

**John Healey:** I beg to move, That the House agrees with the Lords in the said amendment.

In the other place, the Government agreed to consider, along with interested parties, the best way to implement our commitment to a London waste recycling forum and fund. As a result of those discussions and further consideration, we decided to put the body managing the fund on to a statutory basis. The argument was strongly put to us that the advantage of doing so was that that would provide greater stability and focus and help to ensure that the fund was deployed in the best interests of London at all levels. Ultimately, we took the view that that approach had the advantage over a voluntary system, in that it provided a legal certainty for the basis on which the fund is paid and administered.

3 pm

The board's objectives will be to promote more sustainable waste management. To achieve those objectives, it will be able to spend money, including giving grants, and to provide advice on relevant matters to London boroughs, the Mayor and others. The London waste and recycling board will not be a waste authority. We propose that it will act in accordance with the Mayor's municipal waste management strategy and in general conformity with the London spatial development strategy. In that way, it recognises that the vision and strategy for London's waste is the Mayor's, and that action will have to take place in accordance with that. I see the hon. Member for Bromley and Chislehurst (Robert Neill) nodding his approval of that.

The board will also have the power to assist boroughs in the performance of any of their waste functions. Many interests in London, including the boroughs, are keen for us to move on that. We therefore propose to set out the details of the membership, constitution and administration of the body as soon as we can after the Bill receives Royal Assent. I commend the amendment to the House.

**Robert Neill:** I am grateful to the Minister for his introduction of the amendment. As he said, I welcome the Government's approach, as it seems to the Opposition a sensible and pragmatic way forward. I am glad that the Government did not listen to the blandishments of the Mayor of London and some of his supporters who lobbied immensely hard during the passage of the Bill for the creation of a single London waste authority under the Mayor's control. In our judgment, that would have been a needless level of bureaucracy. I am glad that we have this sensible way forward, which recognises the importance of the Mayor as the strategy setter and the boroughs as the principal delivery agents.

Unfortunately, the one person who does not seem to be prepared to play ball with that sensible approach is the Mayor, who used his last press conference extraordinarily and petulantly to announce that, because he did not like the composition of the waste board, he would not chair it or contribute the £6 million to which he had previously agreed. As the Minister will know, and the House should know, the board is to be funded to the tune of £25 million, with £19 million coming from the Government and £6 million from the Greater London authority. If anything more aptly demonstrates the unfitness of the current Mayor for office, it is his childish, arrogant and destructive attitude towards the establishment of the board. He has effectively said, "I don't like what I've been given, and I'm going to take my toys away," which demonstrates his unwillingness to tackle serious issues. He wanted something that gave him more power, but this is a sensible compromise, as all parties in the House recognise. If he is to serve the interests of London seriously, it behoves him to try to work with what he is given and pull things together.

In that context, will the Minister tell us how the Government intend to deal with their unruly child—the Mayor—and bring him to heel and into co-operation? I appreciate that that is like asking the Minister how he herds cats, but I will none the less press him a little on the matter. I welcome the intention to set up the board and am grateful for the Minister's confirmation of that. I look forward to hearing the detail of the shadow board in due course. How do the Government propose to deal with the negative impact on waste and recycling in London of the Mayor's apparent lack of co-operation? What do they intend to do about the potential £6 million funding gap, due to the Mayor's petulance? Are there means by which the Mayor can be made to keep to the bargain, as he should be? If not, how would the funding be made up? Is recycling in London to suffer because of the Mayor's petulance?

Will the Minister also confirm that the setting up of the board will be dealt with through a statutory instrument? If so, when will that be made available?

**Tom Brake:** I am pleased that the Mayor will not control collections, because I think that that should be the boroughs' responsibility. We should welcome the fact that boroughs are being given the potential to develop schemes of their own, and to identify best practice that can then be spread to and maintained in other boroughs.

Subsection (4) states:

"For the purpose of achieving its objectives, the Board may provide advice on such matters"

—matters, that is, relating to waste and recycling—to

"(a) the Mayor;

(b) any London borough council;

(c) the Common Council;

(d) such other persons as the Board thinks fit."

I wonder whether the Government considered identifying business in a separate subsection. Local councils now understand the need to recycle; the biggest challenges may lie with business.

Picking up a point made by the hon. Member for Bromley and Chislehurst (Robert Neill), may I ask whether the Minister has had time to assess the impact of the Mayor's withdrawal of funds? Has he a view on what will have to be cut, or will not be done, as a result of the Minister's spitting out his dummy and withdrawing £6 million from the board?

**John Healey:** I mentioned the implementation order in my opening remarks. We intend to introduce it as soon as possible after Royal Assent, and it will include membership of the board.

As for the Mayor's role, it has been our consistent belief that the board will benefit from the strategic direction of the Mayor as chair. It has also been our consistent view that the board and its functions will help to produce a significant change in waste management operations and recycling performance across London. Ultimately, however, the Mayor's participation is a matter for him.

*Lords amendment agreed to.*

CLAUSE 38

PLANNING CONTRIBUTION UNDER SECTION 46 OF PCPA 2004

*Lords amendment:* No. 18.

**John Healey:** I beg to move, That this House agrees with the Lords in the said amendment.

**Madam Deputy Speaker:** With this we may discuss Lords amendments Nos. 19 to 29.

**John Healey:** We propose a number of amendments to the climate change clauses, following valuable scrutiny of the Bill in the other place. They are intended to sharpen the consideration and priority that the Greater London authority gives to climate change in exercising its functions.

I shall try to deal with the amendments fairly briefly. Among the most significant is amendment No. 18, which requires that in considering whether or how to exercise the authority's general power, the Mayor must have regard to the effect that that would have on climate change and its consequences in general and global terms, as opposed to only in relation to Greater London. In view of the nature of climate change, I think Members in all parties will accept that it stands to reason that the Mayor should have regard to climate change issues beyond the boundaries of the Greater London area.

*[John Healey]*

Amendment No. 19 requires the Mayor, when exercising the authority's general power, to do so in the way that is best calculated to contribute to the mitigation of or adaptation to climate change in the United Kingdom.

Amendment No. 20 introduces a new clause placing a duty on the Mayor to have regard to climate change and the consequences of climate change in either preparing or reviewing his various strategies. Amendments Nos. 23 and 29 give the Mayor the flexibility to go beyond national policy on climate change mitigation, while ensuring that his strategy is not inconsistent with national policies. The amendments will also require the Mayor to act within the boundaries of national energy policy objectives, although the use of the word "objectives" underlines that we are seeking the Mayor's assistance with high-level goals of energy policy such as security of supply and more competitive energy markets, rather than his assistance or conformity with specific national policy measures.

Amendments Nos. 24, 25, 26 and 28 require that the London climate change mitigation and energy strategy should contain information on levels of relevant emissions and include the Mayor's proposals and policies for minimising emissions of other significant greenhouse substances in addition to carbon dioxide.

Amendment No. 27 requires that, in setting out the policies and proposals in the strategy for supporting innovation and encouraging investment in energy technologies in Greater London, the Mayor must have regard to the desirability of advancing energy technologies that involve the emission of lower levels of substances that contribute to climate change. We recognise that the Mayor is likely to want to focus on low-carbon technologies. After all, carbon dioxide is the major contributor to climate change, but we want to keep open the possibility that he might also support technologies that are important to other energy goals.

I commend the amendments to the House.

**Robert Neill:** I am grateful to the Minister for the way that he has introduced the amendments. We have no issue with them; they are sensible amendments. The point about climate change knowing no boundaries is obviously well made. Various independent bodies have made the valid criticism that some of the other mayoral strategies have been, if anything, too inward looking and have not had enough regard to London's impact on the rest of the south-east. I hope that that sensibly broader approach will be something of a precedent for the way in which the Mayor deals with other statutory strategies that he has. The London plan is one that was criticised for being a bit too London-centric and for not looking enough at the linkages. Therefore, the provision is a step in the right direction in that regard.

I welcome the fact that the Government are adopting a fairly high-level and light-touch approach to their requirements of the Mayor in relation to those strategies. That could profitably be employed for the requirements that the Mayor has of the boroughs in relation to his other strategies.

**Tom Brake:** I support the amendments without equivocation. As the Minister said, they are about sharpening the consideration and priority of issues to do with climate change, which we support. In Committee, our concern was that the Mayor was going to be held back in relation to what he could do for climate change because of the linkage with national Government policies. Therefore, I welcome the additional flexibility that the Mayor has been given in that respect.

*Lords amendment agreed to.*

*Lords amendments Nos. 19 to 29 agreed to.*

**Clause 49**

ORDERS

*Lords amendment:* No. 30.

**John Healey:** I beg to move that the House agrees with the Lords in the said amendment.

**Madam Deputy Speaker:** With this it will be convenient to take Lords amendment No. 31.

**John Healey:** Both amendments respond to recommendations from the Delegated Powers and Regulatory Reform Committee. It is right that they do so. They have been welcomed in the other place and I hope that they will be supported by hon. Members.

**Robert Neill:** Suffice it to say that we agree with the Minister and have nothing to add.

*Lords amendment agreed to.*

*Lords amendment No. 31 agreed to.*

**Schedule 1**

*Lords amendment*: No. 32

3.15 pm

**John Healey:** I beg to move, that this House agrees with the Lords in the said amendment.

**Madam Deputy Speaker:** With this we may discuss Lords amendments Nos. 33 and 34.

**John Healey:** Confirmation hearings, as set out in schedule 1 to the Bill, provide an important new power for the Assembly to exercise scrutiny over the important appointments that the Mayor makes. We have listened to arguments and concerns to ensure that the Assembly has sufficient time within the specified three-week period to exercise its proper role in carrying out confirmation hearings. The amendments ensure that the Assembly in all circumstances, including immediately after an election, will be able to do so. It also makes minor changes to improve the process by which decisions over confirmation hearings may be taken. I hope again that they will command the support of the House.

**Robert Neill:** We accept the Minister's sensible amendments. The principle of confirmation hearings is, I concede, an area of the Bill where there is a step forward, which is welcome, but it does not go far enough and we would like to have strengthened the measure and extended the range from the previous debates. However, it would be churlish not to welcome the acceptance of the principle, which I hope can be

built on in the future. My final comment on the Bill will be that, as the Minister knows, our stance is that there are a number of missed opportunities and that there is unfinished business to which a future Government will have to return.

**Tom Brake:** I support the amendments with the same caveats about confirmation hearings. When we debated the matter in Committee, we were keen to see an extension to the range of people who could be subject to confirmation hearings. That has not been the case but we support these individual amendments.

*Lords amendment agreed to.*

*Lords amendments Nos. 33 and 34 agreed to.*

Committee appointed to draw up Reasons to be assigned to the Lords for disagreeing to their amendments Nos. 1 and 2: Tom Brake, John Healey, Chris Mole, Robert Neill and Mr. Dave Watts to be members of the Committee; John Healey to be the Chairman of the Committee; Three to be the quorum of the Committee.—*[Mr. Watts.]*

*To withdraw immediately.*

*Reasons for disagreeing to certain Lords amendments reported, and agreed to; to be communicated to the Lords.*

## FURTHER EDUCATION AND TRAINING BILL [*LORDS*] (PROGRAMME) (NO. 2)

*Motion made, and Question put forthwith, pursuant to Standing Order No. 83A (Programme motions),*

That the following provisions shall apply to the Further Education and Training Bill [*Lords*] for the purpose of supplementing the Order of 21st May 2007 (Further Education and Training Bill [*Lords*] (Programme)):

*Consideration of Lords Message*

1. Proceedings on consideration of the Lords Message shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement at this day's sitting.

*Subsequent stages*

2. Any further Message from the Lords may be considered forthwith without any Question being put.

3. The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*[Liz Blackman.]*

*Question agreed to.*

## Further Education and Training Bill [*Lords*]

*Lords message considered.*

*Lords Reasons*: Nos. 1A, 2A, 4A, 6A, 7A and 8A.

3.20 pm

**The Minister for Lifelong Learning, Further and Higher Education (Bill Rammell):** I beg to move, That this House does not insist on Commons amendments Nos. 1, 2, 4, 6, 7 and 8 to which the Lords have disagreed, but proposes amendments (a) to (f) to the Bill in lieu of the Commons amendments.

In July, the House sent the Bill to another place with amendments, following a period of intense scrutiny. The amendments, which addressed our intention to intervene in unsatisfactory further education provision, were disagreed to in the other place, which gave as its reasons:

"Because the proposed delegations of powers of intervention are inappropriate".

The Government do not agree with that statement. We believe that there needs to be clarity and certainty about the proposed powers of intervention and, further, that in England they should be exercised by the Learning and Skills Council, as the funding and commissioning body for further education there. In Wales, the proposed powers of intervention would be exercised by Welsh Ministers; there is no equivalent of the LSC in Wales, and Welsh Ministers are responsible for the planning and funding of further education in Wales.

However, we reflected on the valuable debates, and particularly the contributions of those who urged the need to make sure that there are appropriate checks, particularly in the system we are proposing for England. In that context, I would like to express my appreciation of the constructive work that the hon. Member for South Holland and The Deepings (Mr. Hayes) has done with us to prepare a robust solution for the sector. I held discussions on the amendments, and he influenced them; that offers a model of how Government and Opposition can, and should, work together where we can. I also pay tribute to the hon. Member for Brent, East (Sarah Teather), who has played a constructive role as well.

In response to concerns raised by the hon. Member for South Holland and The Deepings and others, we have already made significant changes to the provision on interventions, including requiring the LSC and Welsh Ministers to consult on their proposed statements about how they will exercise their statutory intervention powers, and in the case of the LSC to get the statement approved by the Secretary of State. Statements approved by the Secretary of State will be laid before each House; Welsh Ministers must lay statements of their policy before the National Assembly for Wales. We have also limited the power in relation to dismissal of senior post holders so that it is now to direct a governing body to initiate dismissal proceedings, and we have made a number of non-statutory changes to address concerns that have been raised.

**Jeremy Wright** (Rugby and Kenilworth) (Con): It is refreshing that a Minister in this Government has the grace to concede that he has accepted a Conservative approach, and we are grateful to him for that. However, I seek reassurance on a specific point: if a member of

*[Jeremy Wright]*

staff is dismissed as a result of a process initiated by the LSC, is there in his view clarity on the legal position if they were to sue for unfair dismissal?

**Bill Rammell:** Yes, I believe that that clarity does exist. One of the bodies that has been particularly pressing us on this issue is the Association of Colleges, which represents colleges throughout the country. The last time we discussed the Bill, it was satisfied with the changes we had made.

However, the amendments now proposed by the Government go further still. They propose that the Bill require the LSC to give notice to the Secretary of State before exercising any of the statutory intervention powers. It would not be appropriate to specify in statute which Secretary of State the LSC should notify, but it is likely that in most circumstances that notice would be given to the Secretary of State for Innovation, Universities and Skills and, where the education or training of 16 to 19 year olds was affected, the notice would be copied to the Secretary of State for Children, Schools and Families.

At that point, if the Secretary of State considered that what the LSC was proposing to do was inappropriate, he would be able to take action using, as appropriate, his powers under either proposed section 56C of the Further and Higher Education Act 1992, or section 25 of the Learning and Skills Act 2000. The process for intervention would enable a governing body that considered that the LSC was not following its published statement about how it would exercise its statutory intervention powers to make a complaint to the LSC. If the governing body was not satisfied with the response, it could set out its concerns in writing to the Secretary of State. That gives a significant degree of further reassurance.

I also want to give the House a commitment today that where the Secretary of State received notice of the LSC's intention to exercise its statutory intervention powers, he would write to local MPs, notifying them of the situation. That would be done on a personal basis, to protect those institutions where the possibility of intervention was not in the public domain.

The amendment that we are proposing and the commitment I have given directly address the issues raised in another place. They enhance the accountability that the LSC already has. They make it clear to Parliament and the further education system that Ministers will be keeping a watching brief on situations where serious action in relation to a particular provider might be necessary, and they ensure that hon. Members will be aware of such situations where particular provision is in, or serves, their constituencies.

We have reached a sensible position. We must retain the power to intervene through the LSC in extremis. We have listened and responded to concerns, and I hope that what we are now considering will command support across the House.

**Mr. John Hayes** (South Holland and The Deepings) (Con): I thought long and hard about what to say this afternoon, and I was mindful of the fact that it is never wise to be too extravagant in victory. Equally, however, neither the House nor the Minister—and not even you, Madam Deputy Speaker—would expect my moment in the sun to be entirely fleeting.

Benjamin Franklin said:

"You must not, when you have gained a victory, use any triumphing or insulting expression, nor show too much pleasure; but endeavour to console your adversary, and make him less dissatisfied with himself, by every kind and civil expression, that may be".

To start in that vein, may I say that throughout the proceedings, the Minister has shown courtesy, diligence and a mind open to the suggestions put by the Opposition? We have had a continuing dialogue, which seems to have begun a long time ago. Indeed, the Bill began its passage early in the year, so this has been a long journey but a not entirely tortuous one; it has been more "Three Men in a Boat"—at least, two men and a lady in a boat—than "Heart of Darkness". It has not been a dreadful journey into the unknown, but a journey to a destination that is better than we feared when we embarked upon it.

I shall say a few words about the details of the amendments before us. But first I must explain that we remain convinced that the Bill is a missed opportunity to implement the structural changes advocated by Lord Leitch. Of course the Minister knows that, and would expect me to repeat that view. However, we have reached a more desirable outcome than we might have done.

In part, as the Minister has graciously acknowledged both today and on several previous occasions, that is because of the constructive opposition from the Conservatives and the other parties, which have also played a part in this process. It is also because of the work done in the other place, where a measured and well-informed debate about the Bill has taken place. I pay tribute to Baroness Morris of Bolton for the role that she has played in reminding the Minister that although the other place can, on occasion, be stubborn, it is so in the interests of what is right and appropriate. The House is at its best when Bills are improved by careful scrutiny and when the Opposition are listened to. Throughout the passage of the Bill, that has been the case.

I shall not stray too far from the amendments, because you will not allow me to, Madam Deputy Speaker, but I want briefly to say that the proposals for foundation degrees have been improved because of the work that has been done across the Chamber on articulation agreements, taking account of the worries that universities have had about possible repercussions. We have reached a settlement on that, of which we can all be proud.

3.30 pm

The benefits of this constructive approach have been demonstrated again this afternoon in the form of the Government amendment. The original version of the Bill would have granted sweeping new powers to the Learning and Skills Council to intervene in further education colleges. I raised that on Second Reading with the then Secretary of State, who has now moved on to other things—I will not say greater things. At that stage the Secretary of State said that he did not think that the powers would be used anyway, as they had not been used in their current form. We did not think that was good enough. Throughout Committee and in the other place we pressed Ministers to mitigate the powers, in the interests both of colleges and of proper parliamentary scrutiny and accountability.

The response to those concerns finds form in the Government amendment. It will mean that to intervene, the LSC must have the express permission of the Secretary of State. That means that people in this House will be accountable for decisions made in that regard—we feared that, under the original form of the Bill, they might not have been. Moreover, the LSC will report annually on how its intervention powers have been used, and that report will be subject to appropriate scrutiny. Furthermore, the Minister has confirmed that at any stage during the process, if any individual feels that the powers have not been used reasonably or appropriately, the Secretary of State will be able to intervene and stop the process—at its beginning, middle or end. That is, in effect, a right of appeal, and I felt that that was important.

In addition, I am assured by the Minister in private discussions and in writing that the powers are not an extension of existing powers. There was a fear expressed in Committee and elsewhere that the new powers went wider than the current powers of the Secretary of State. The Minister assures me in his letter of 26 September that that is not the case. The provisions merely clarify the existing scope of powers that are in the hands of the Secretary of State. That is a great relief to colleges and others who felt that the provisions might be applied more widely to college managers and others, even college lecturers against whom people took a dislike. I understand that that was never the intention, but it was important that the Minister had the good grace and good sense to put that in writing. We end with an amendment that reassures those in the sector that this is not a plan to impose on them even more micro-management than already exists, which we resist today as we have always resisted it.

We do not want to be too friendly; there must be some theatre and drama in our exchanges. People must know that there is a tangible difference between the Conservative approach to further education and that of the Government. So let me say now that we believe passionately in the independence of colleges. This will reassure colleges that these powers are not as draconian as they once seemed. It will also reassure hon. Members of all political parties that they have the opportunity to hold Ministers to account for the way in which these matters are dealt with. That second issue deserves just as much air time, because this House takes its responsibilities in those regards very seriously.

Taken together, the amendments and the further written assurance of the Minister represent a significant change of direction. They mean, in effect, that the LSC will be unable to intervene without the approval of the Secretary of State. I am grateful to the Minister for his clarification. Finally I quote from his letter:

"the Bill does not empower the LSC to intervene in ways the Secretary of State cannot currently do...the LSC would not be able to direct a governing body for example to dismiss a senior post-holder".

That assurance summarises and typifies the changes that have been made through the amendments.

I know that my colleagues in this place welcome the amendments and the tone that the Minister has adopted in introducing them, and I anticipate, although I have no authority to insist on it, that my colleagues in the other place will take a similar view.

**Mr. Paul Murphy** (Torfaen) (Lab): I rise to support the amendments, and to echo the words of my hon. Friend the Minister for Lifelong Learning, Further and Higher Education and of the hon. Member for South Holland and The Deepings (Mr. Hayes) about the constructive and thoughtful debates in which I and others have taken part both in the House and in Committee. We have probably had a little too much theatre in the House this week, and this debate encapsulates the other aspect of our work, which is, when appropriate, to hold sensible discussions and find agreement whatever our party.

I shall briefly refer to the aspects of the amendments that deal with intervention in Wales and order-making powers for Welsh Ministers. From a Welsh point of view, the Bill has attracted much debate about the procedure for dealing with such amendments and other aspects of the Bill relating to Wales. I make two pleas to my hon. Friend the Minister. The first is to nurture the relationship between his Department and the Welsh Assembly Government. The Minister for Children, Education, Lifelong Learning and Skills, Jane Hutt, is a good Minister, and the relationship between the Assembly Government and the Westminster Government should be one of co-operation rather than confrontation.

My second plea relates to the way in which the House deals with amendments that affect Wales. I am still not convinced that there is good enough scrutiny of such amendments. There is a role for Members of Parliament representing Wales, whether in Committee or on the Floor of the House, that has not yet been properly exploited, so I hope that in the Minister's discussions with the Secretary of State and the usual channels we can improve the methods whereby we scrutinise such amendments.

There is another debate to be had about the fact that the political scene in Scotland and in Wales has changed dramatically—and, thereby, the relationship between the Government, the Assembly and the Scottish Parliament. However, I would be a most unpopular man were I to pursue that subject at present.

**Sarah Teather** (Brent, East) (LD): I begin, as other Members have done, by thanking the Minister for the way he has worked through the Bill. I have sat through proceedings on many other Bills in which Ministers trenchantly dug in their heels on irrelevant points, so I pay tribute to his willingness to listen, clarify and amend at all stages, including in Committee. The Bill that left the Committee was a grand improvement on the measure that first came to us from the Lords and the amendments proposed today are a considerable move forward. I thank the Minister, too, for making his civil servants available for meetings to discuss the Bill and for attending such meetings himself.

The Lords were right to reject the clause twice in its previous form. I was concerned that it allowed the Learning and Skills Council—an entirely undemocratic body subject to no form of parliamentary scrutiny—to force a private institution to initiate dismissal proceedings against senior staff, even though the LSC may be but one of the bodies providing funding for the institution concerned. I had grave concerns about that, and I pay tribute to our colleagues in the other place for pressing the Government on the issue, so that we now have an amendment that is a considerable improvement.

*[Sarah Teather]*

I continue to question the need for the clause, especially given the fact that the Secretary of State has never used the powers. However, we have moved a long way since the first draft of the provision, and that has met most of my concerns.

The Minister did not address my principal concern in his opening speech, and I hope that he might clarify it in his winding-up remarks. As I said on Report, after the changes in the machinery of government, we expect the responsibility for funding 16-to-19 education to move to the Department for Children, Schools and Families and local authorities, rather than being channelled through the Learning and Skills Council. Therefore, the LSC will not be the funding body for an enormous number of colleges, so it would be an inappropriate regulator. It would be highly inappropriate to give the LSC the power to intervene in such a way.

The Minister assured me in private that he was willing to make it clear on the record that further legislation would be needed when those changes took place. I hope that he will make it clear not only that further legislation will be needed to ensure that the LSC's powers do not transfer to another body but that those powers should not remain with the LSC. If the LSC is not funding colleges, it should not be the body regulating colleges either.

The key move, which the Minister made clear, involves democratic accountability and parliamentary scrutiny, and the change in the Secretary of State's role in that respect is very welcome. The fact that the LSC must notify the Secretary of State of its actions and that the Secretary of State will be given the freedom to change and direct the LSC in a different way, with a loop involving MPs as well, provides the possibility of parliamentary scrutiny.

I wonder whether the Minister will also place on record a point that he raised with me in private. He intends to use section 28(2) of the Learning and Skills Act 2000 to direct the LSC to include details of how it has used those powers in its annual report, thus ensuring not only that parliamentary scrutiny is available to MPs who have had the misfortune to see such powers used in their constituencies but that all MPs who have an interest in the issue can question the Secretary of State in his role as the accountable person in the House, where it is appropriate to do so.

Finally, I am pleased that the Minister has placed on record the role of the Secretary of State for Children, Schools and Families. I wonder whether he might elaborate on that role. Presumably, the Secretary of State for Children, Schools and Families will become the relevant Secretary of State, once the machinery of government changes are implemented, but will that Secretary of State always be notified if the college involved does a substantial portion of its work in 16-to-19 education? What if all of its work is in the 16-to-19 area?

I place it on record that I am grateful to the Minister for being willing to amend the clause. This issue has caused us great concern, rightly. I continue to have concerns about whether the clause is needed. However, as the Minister has moved so far, I shall certainly not oppose it today.

**Bill Rammell:** We have had a genuinely constructive debate, but I tell the hon. Member for South Holland and The Deepings (Mr. Hayes) that to talk of victory is going a tad far. A sensible intention on the part of the Government has been tightened through the scrutiny process. That, frankly, is how the House should operate. I pay due tribute to both Opposition Front Benchers for getting us to where we are today.

I shall now pick up some of the specifics. In response to the point made by the hon. Member for Brent, East (Sarah Teather), if a change in the responsibility for further education were proposed, whatever it might be, legislation would be needed and there would be an opportunity for scrutiny. I place that on the record.

To answer another point made by the hon. Lady, I am happy to make a commitment to the House that Ministers intend to use the Secretary of State's power under section 28(2) of the Learning and Skills Act 2000 to direct the LSC to include in its published annual report a statement summarising how it has used its intervention powers under proposed new section 56A. That would include, for example, the type of actions that had been taken, the reason for taking such actions and the outcomes. The form of the statement would be such that it was not possible to identify individual institutions where the fact of intervention was not in the public domain. Nevertheless, I think that that gives the hon. Lady the reassurance that she sought.

**Jeremy Wright:** I am conscious, as I know the Minister is, that this is a short debate. A number of points are dealt with in the helpful letter dated 26 September this year that he sent to my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes). Will the Minister consider placing a copy of that letter in the Library of the House so that all hon. Members are aware of the background to the helpful information that he has given us this afternoon?

3.45 pm

**Bill Rammell:** I am more than happy to give that commitment. That will help in the understanding of the debate and the Bill that we are considering.

I shall clarify some of the issues raised by the hon. Member for South Holland and The Deepings in relation to the steps that the LSC must take when it intervenes. The LSC must give prior notice. At that stage, the Secretary of State can take action, but does not have to do so on receipt of such a notice. It is correct that the Secretary of State has a greater opportunity to scrutinise the LSC as it takes that action and, if he chooses, to stop the LSC taking such action.

On another point that the hon. Gentleman raised, the comparison of the current powers of the Secretary of State to intervene and the proposed powers for the LSC, I want to place it explicitly on the record that the Bill does not empower the LSC to intervene in ways that the Secretary of State cannot at present. Rather, it specifies that the power to give directions may include a direction to make collaboration arrangements. It also specifies that the LSC would not be able to direct a governing body to dismiss a senior postholder. Instead, it would be able to direct the governing body to initiate dismissal proceedings.

The comments made by my right hon. Friend the Member for Torfaen (Mr. Murphy), the former Secretary of State for Wales, were exceedingly constructive. His point about nurturing the relationship between the Department for Innovation, Universities and Skills and the Welsh Assembly Government is important. Devolution does not mean divorce. There is a continuing need for co-operation and overlap. I entirely take his point about dialogue. The Under-Secretary of State for Innovation, Universities and Skills, my hon. Friend the Member for Tottenham (Mr. Lammy), has recently had discussions with Jane Hutt about some of these matters. My right hon. Friend's important point about the need for effective scrutiny will have been heard.

On scrutiny in general, it is important to make it clear that the Bill has been subject to scrutiny and the role of Welsh Ministers has been scrutinised. With reference to the exercise of the powers of intervention, the Welsh Assembly Minister will be subject to scrutiny by the Welsh Assembly. The comments that were made have been extremely constructive and helpful.

**Mr. Hayes:** First, it may be helpful to the House if the Minister comments on the ability of the Secretary of State to intervene if any of the parties feel that the intervention has been mishandled or inappropriate. The Minister deals with that in his letter to me, but it might be worth articulating it.

Secondly, if the powers were transferred at a future point so some other body—we do not know what the future of the LSC would be—would that require further legislation, as opposed to being done in a more slight and unsatisfactory way?

**Bill Rammell:** I thought that I had already made that clear, but I am happy to do so again. If there were changes in future, that would require legislation, which would be open to scrutiny. Will the hon. Gentleman remind me of his first point?

**Mr. Hayes:** That is the trouble with making two points. In his letter to me, the Minister makes it clear that if the powers were exercised in a way which the parties concerned felt was inappropriate, or if the process of the exercise of the powers went wrong, the Secretary of State could at any point intervene to deal with the matter and draw it to a conclusion. We spoke about that at a meeting and it is confirmed in the hon. Gentleman's letter, but it would be useful to have it on the record in this place.

**Bill Rammell:** I am happy to confirm that the Secretary of State has the power to direct the process. If the notification comes from the Learning and Skills Council and if, as a result of his own judgment or as a result of representations, the Secretary of State is not happy for that intervention to proceed, he may stop it. That is an important commitment.

To conclude, I should say that I think we have given reassurance. For the record, I reiterate that Ministers intend to use the power of the Secretary of State under section 28(2) of the Learning and Skills Act 2000 to direct the LSC to include in its published annual report a statement summarising how it has used its intervention powers. In answer to the point made by the hon. Member for South Holland and The Deepings, I should say that if future changes to the role, functions and structure of the LSC led to proposals to transfer the statutory intervention powers to another body, new legislation would be required to enact that transfer. The Bill does not empower the LSC to intervene in ways that the Secretary of State cannot currently. Ministers envisage that the LSC would use its powers to direct a governing body to initiate dismissal proceedings against a senior post holder other than the principal when wider intervention, which included possible dismissal of the principal, was also being considered. That important point has been raised with me before. We intend the power to be used to address unsatisfactory provision, not to decide who should hold a particular appointment in an institution.

It is important that the House should be clear about such significant matters. In the spirit of our recent work, I hope that we can take forward the point on which the hon. Gentleman pressed me today. Specifically, he asked exactly what the Secretary of State could do if, on receipt of a notice from the LSC that it intended to exercise its statutory intervention powers, he had concerns. I have addressed that point already. However, for the record I say again that, on receipt of a notice of the sort that we propose, it would be open to the Secretary of State, if he was satisfied that the LSC's proposed intervention was not appropriate, to exercise his powers under proposed section 56C of the Further and Higher Education Act 1992 to direct the LSC on the exercise of its statutory intervention powers.

Under section 25 of the 2000 Act, the Secretary of State could also direct the LSC not to act if he was satisfied that the LSC was proposing to act unreasonably in relation to its statutory powers or duties, or if it had failed to discharge a statutory duty. Any such direction by the Secretary of State might be as a result of any failure by the LSC to have regard to its most recently published statement of its intervention policy, so the issue would be framed within the context set out by the LSC. As I explained earlier, the Bill provides that the statement must be approved by the Secretary of State and that he must lay a copy of the approved statement before each House of Parliament. If the Secretary of State directed the LSC under proposed section 56C or section 25 of the 2000 Act, he would be accountable to the House for that decision.

At the end of a constructive exchange, I hope that what I have said gives the reassurance hoped for by hon. Members of all parties. It should conclude proceedings on an important Bill that gives power, status and influence to our further education colleges so that they can continue the hugely important task that they face.

*Question put and agreed to.*

*Amendments (a) to (f) agreed to.*

## CRIMINAL JUSTICE AND IMMIGRATION BILL (PROGRAMME) (NO. 2)

*Motion made, and Question put forthwith, pursuant to Standing Order No. 83A (Programme motions).*

That the Order of 8th October 2007 (Criminal Justice and Immigration Bill (Programme)) be varied by the substitution in paragraph 2 (time for conclusion of proceedings in Public Bill Committee) for the words 'Tuesday 30th October 2007' of the words 'Thursday 29th November 2007'.—*[Mr. Watts.]*

*Question agreed to.*

## Flooding (Gloucestershire)

*Motion made, and Question proposed,* That this House do now adjourn.—*[Mr. Watts.]*

3.53 pm

**Mr. Laurence Robertson** (Tewkesbury) (Con): I note that we have a little longer for this debate than might have been expected, but I assure the Minister that I do not intend to drag it out just for the sake of it. However, there are, of course, important issues to address, and I am pleased to have secured the debate for that reason. I thank Mr. Speaker for awarding it to me, and the Minister for attending today.

My hon. Friends and colleagues from other seats in Gloucestershire—Forest of Dean, Cheltenham, Gloucester, Stroud and Cotswold—have all taken an interest in what I am discussing, although unfortunately they are not able to be here because of other pressures. They, too, have suffered in recent months, and I pay tribute to their work in fighting against the difficulties that we have experienced.

I want to approach this debate in three parts. I want to consider what happened on 20 July and since, what is happening now and what should happen in the future. In June of this year, I remember visiting a number of people in my constituency and, by invitation, slightly beyond, to look at the difficulties they had experienced following floods in that month. I visited people who told me that they had lived in their properties for 40 years and never been flooded. There was some kind of warning there, I suppose. The storms were similar, although obviously those in July were a lot worse. There was a warning in June that there was a problem because places flooded that had never flooded before, and it was depressing to me to have to visit those people again in July, when they had been flooded for a second time.

I suppose that 20 July started like any other day, but the rain came down very heavily. Perhaps it should not have, but it seemed to take us by surprise. The rain continued for a lot of the day, probably all of it, and people's journeys home became extremely difficult. A journey that should have taken me one hour took me four. The mobile phone network went down completely and it was impossible to phone home or make any arrangements. I was one of the lucky ones: many people did not get home at all. My house is not that far from the M5 motorway, and I know that people slept in their cars on the motorway, including police officers, who had no way of getting away from the situation. People slept in borough council offices, and some slept in public houses, which was probably the preferable option, but not one they would necessarily have chosen. It seemed to get worse.

On the Saturday, there seemed to be a little respite, but water continued to come from the hills and down the rivers, and on Sunday, things got very much worse. As things progressed, the town of Tewkesbury got cut off and became an island, as probably the whole world knows—Tewkesbury is now world famous for the wrong reasons. I have to stress that other parts of my constituency were also very badly flooded. Part of the hospital at Tewkesbury had to be evacuated, the doctor's surgery was flooded and had to be evacuated, meaning that the doctors were displaced, and many businesses were closed. Of course, many people had to leave their homes; some of them had to be rescued from their top floor. It was a desperate situation. When we lost the water supply, we had to live off water supplied by bowsers—a word I had never come across before 20 July—and the filling of bowsers and the delivery of bottled water became a major issue. *[Interruption.]* I am glad to welcome the hon. Member for Stroud (Mr. Drew), who has managed to make it to the debate.

Tragically, and worst of all, during the next few days, three people lost their lives as a direct result of the flooding: Bramwell and Christopher Lane, and Mitchell Taylor were all killed. That was extremely tragic, but it could have been so much worse. We lost our mains water supply—some people lost it for up to three weeks—and as many as 350,000 properties were affected in this way. We very nearly lost our electricity supplies. It was estimated that up to 600,000 households could have lost electricity.

At this point, I would like to congratulate the emergency services, particularly Gold Command, under the direction of Dr. Tim Brain, the chief constable of Gloucestershire. I would like to congratulate the armed forces, Tewkesbury borough council, parish councils and many others—particularly those individuals who helped rescue people and deliver bottled water. It really brought out the very best in 99 per cent. of people. There were no divisions and no party politics; everybody made a tremendous effort. I personally knew many people who worked hard, but there were many others whom I did not know and whom I will probably not meet again.

Perhaps unusually for a politician, I would like to congratulate the media on their role, especially Radio Gloucestershire, a local radio station, which broadcast accurate and up-to-date information every minute. That was extremely helpful. Perhaps unusually again for a politician, I would like to thank and congratulate the supermarkets and those who supplied the bottled water.

Most hon. Members realise the importance of their staff. I want especially to congratulate my constituency assistant, Mark Calway, who worked night and day to try to help people with their problems. Far be it from me, as a Conservative Member of Parliament, to try to brighten up the Prime Minister's week, but I must thank him for what he did. He showed a great deal of interest and I am not prepared to play party politics about the matter. His many interventions were welcome. I also thank and congratulate the Secretary of State for Environment, Food and Rural Affairs and everybody at every level, including those in Cobra and Gold Command, who tried to help to alleviate the disaster. I am told that it was the biggest operation in peacetime Britain, and that is significant.

**Mr. David Drew** (Stroud) (Lab/Co-op): I apologise for being late and leaving early. My hon. Friend—in this context—knows that I am going to meet the rural advocate to discuss flooding. Does he agree that one of the problems was the apparent lack of knowledge about the susceptibility of the critical infrastructure, including the water treatment plant at Mythe and the sub-station at Walham? I appreciate that we discussed that yesterday in a Select Committee meeting with the

Environment Agency, but some uncertainty remains about who takes the lead when those facilities are threatened. Does he agree that we need to determine how we protect those critical infrastructure facilities and who takes command when they are threatened?

**Mr. Robertson:** I am grateful for that intervention. The hon. Gentleman is absolutely right and has made one of the most important points. I shall deal with that a little later, but I emphasise that he is right.

The second part of my speech is about the current position. Tewkesbury and the surrounding areas have recovered well but many people are still living in caravans on their own drives, and will do so for many months. In a discussion with the chief constable this morning, I was reminded that they will have to eat their Christmas dinner in caravans unless they are fortunate enough to be invited elsewhere. Many people remain displaced from their homes. Businesses, especially shops, pubs and restaurants, lost much business. When we lost the water supply, restaurants could not prepare food properly and consequently lost an awful lot of business. However, I want to convey the message that, although some people believe that Tewkesbury was like New Orleans, it was not that bad. Tewkesbury was not affected in quite the same way and it is open for business. I hope that I am allowed to make that plug.

Of course, people have still got to get their houses back together and make insurance claims. The process of claiming appears to have gone fairly smoothly—I have not heard many complaints about it—although it took time for assessors and others to come out. Given the scale of the problem, that was understandable, but matters are progressing.

Concern has been expressed about future insurance premiums and the future availability of insurance. I want to spend some time considering that because, yesterday, the Association of British Insurers made the worrying statement that it could not guarantee insuring people against flooding in future because of the Chancellor's statement the other day and the lack of money, as the association put it, from him for the alleviation of floods. I hope that the Chancellor will provide enough money to guard against future problems, and I want to discuss shortly some of the things that I hope will be done.

I am also a little concerned about the ABI's position, although I do not want to be too much against it. I asked the ABI what specific schemes it felt would not be able to go ahead, because of the Government's position, that it felt should go ahead. Again, I am not defending the Government at all, but I was a bit concerned this morning to receive an e-mail from the ABI that in answer—or non-answer—to my question said:

> "We do not have details of specific schemes that will now not go ahead."

I am not defending the Government—I will say quite a few things that I want the Government to do—but I do not want the ABI to use the Government's position as a cop-out. That is not the ABI's role. Insurers take the premiums and they have to pay out. It will be difficult for people if they cannot get insurance. There might be some justifiable criticism of people or businesses who did not take out insurance, but if insurance is not available to them, that is a different proposition. I should like the Minister to address that concern.

I come to part three of my speech: what do I think should happen in the future? We live on the confluence of two rivers in Tewkesbury. It is a beautiful place. We have the abbey and we have a lot going for us. The rivers brought a lot of trade in the past, but of course we recognise that Tewkesbury is on a floodplain and that the rivers flood frequently. The fields around Tewkesbury flood probably two, three or four times a year. That is not a problem; what is a problem is the kind of situation that we face currently.

Although we accept that we live on a floodplain and that sometimes we will be flooded, people's primary concern now is that we should learn lessons from what happened. It is far too easy for the headlines to disappear, for people to forget about the situation and for nothing to happen. I hope that we will learn the lessons. I make no apology for returning to the fact that three people died in my constituency because of the flooding or that people beyond have suffered. We must learn the lessons. What do I think those lessons are? The biggest one is that we should not build houses or other buildings on or near floodplains. If we do that, the water obviously has nowhere to go or not as many places to go, whereas if the floodplain is a green field, the water can rest on it and eventually disappear. If there are buildings on that field, that cannot happen.

One area of building in my constituency, in a place called Bredon Road, was part built and flooded. That was not a good calculation. In a written answer to my question number 146213, the Minister for Housing quoted planning policy statement 25, with regard to strategic flood risk assessments. That is welcome as far as it goes, but I do not think that it goes far enough. I know that the role of the Environment Agency has to some extent been strengthened on that point—I shall return to that—but the provision does not go anywhere near far enough.

I am also concerned about how we determine what constitutes a floodplain. When the Environment Secretary came to Tewkesbury he told me that the flooding that had occurred was far worse than the definitive map, which suggested where the flooding might take place if the 1947 floods were repeated. The flooding this time was worse. I had a meeting with somebody from the Environment Agency who suggested that if water lay beneath the surface of land, it was okay to build on. That is profoundly wrong and dangerous.

There is currently an application, which will be with the Secretary of State any day now, at a village called Longford in my constituency, which is very close to Walham electric works, which almost flooded and which we almost lost. The appeal to the Secretary of State is by Hitchins and is to build some 600 houses on an area that floods and to which the access roads also flood. Surely that application must be turned down when it reaches the Secretary of State's office, otherwise we will have heard just empty words.

**Mr. Drew:** I should like to associate myself with my hon. Friend's earlier remarks about all those whom he thanked. I should also like to thank the ministerial team, who played a significant role in keeping us informed. I entirely agree with the hon. Gentleman; the

*[Mr. Drew]*

problem now is defining and redefining the floodplain, but also recognising the fact that where building is allowed can sometimes have an impact on other places further downstream. That is very worrying. I am sure that the hon. Gentleman would agree that, when an application is proposed, we need to look not only at the impact on the immediate area but at the impact further down the river, the brook or whatever.

**Mr. Robertson:** I thank the hon. Gentleman for making that point.

There are areas of Tewkesbury, such as the Wheatpieces estate and the Stonehills estate, of which people said, "Well, there you are, they didn't flood. It wasn't a problem." That misses the point entirely. The next estate, Priors Park estate, was very badly flooded. We are also losing gardens. Houses are being built on gardens, which are defined as brownfield sites, and that land loses the ability to soak up water.

That raises the question of why so many houses are needed. I do not want to go through all the issues. We know about ageing populations, about couples separating, about people wanting more than one house, and about immigration—we have had net immigration of well over a million in the past 10 years. All those factors put pressure on the housing situation, and we have to think about this very sensibly.

Unbelievably, there are proposals from the regional spatial strategy in my constituency to build thousands of houses north of Gloucester and north of Cheltenham. That is asking for trouble, and the proposal must be rejected. We must find a better way forward, and better places to put the houses. We cannot build thousands of houses in the areas that have suffered so badly over the past few weeks.

When we have to build houses, the builders should have a greater responsibility to ensure that the drainage system is adequate. In answer to my parliamentary question number 146214, the Minister helpfully replied but his answer was not strong enough. Things need tightening up. We also need to ensure that ditches and drains are cleared regularly, and that they are repaired when necessary. I had some displaced people living with me for a while; they were delightful. They lived much higher up than me, but their house, unlike mine, had flooded because their drains did not work. In fact, they had worked in reverse and thrown the water out into the property. I accept that that was an exceptional time, but in many cases, the drains were simply inadequate and the ditches were not cleaned.

We need to draw up a list of priority people and priority buildings, so that we can help more quickly in times of difficulty. I went for a walkabout on the Sunday, and I came across some sheltered accommodation. Nobody had been there, and water was surrounding the buildings. It was coming up through the floors of the flats, and we had to push people out in their wheelchairs to avoid what could have been a terrible situation. We then had to wait for ambulances and police cars to arrive. This place was called Lanes Court in Priors Park, the estate that I mentioned earlier. Nobody had been round to check up on it; it had not registered on anyone's radar screen. There was no emergency relief for those people.

I tabled a parliamentary question on that subject—question number 152885—to which the Minister responded:

> "Under central guidance on the requirements of the Civil Contingencies Act 2004, it is the responsibility of all the statutorily designated Category 1 responders, including local authorities, emergency services, Primary Care Trusts and the Environment Agency to identify and make plans to assist vulnerable people in any emergency."—[*Official Report*, 26 July 2007; Vol. 463, c. 1523W.]

Well, in spite of what I am sure were the best efforts of all involved, that did not happen. It certainly did happen to some extent, but many people, such as those whom I have just mentioned, did not get rescued until they happened to be stumbled across. Many old and disabled people had bottled water brought to their houses; but that did not happen across the board. There were still many vulnerable people.

The fire and rescue service made an absolutely tremendous effort, but I do not think that it was quite prepared for a disaster of this scale in terms of the number of its officers who have been trained to carry out rescue operations in water. Some are trained to do that and did an excellent job. Others also did an excellent job, but we need to reflect more on whether there are enough fire rescue officers trained in that particular line of service.

I spoke to the chief constable of Gloucestershire this morning about the tri-service centre. It is a pity that the hon. Member for Stroud is no longer in his place, as I hoped that he would agree with me about it. On 20 July, the emergency services people were able to talk to each other immediately at the operational level. Nothing needed to be set up: they managed the emergency very well indeed and it would not have been as effective if it had had to be managed regionally. The local emergency people all knew the local council people, people from the utilities, MPs and so forth. It is interesting to note that when the merger of police forces was first discussed, relevant documents observed that a force as small as Gloucestershire's would not be able to handle an emergency on this scale. In fact, the force handled it very well indeed. I thus make a plea for the tri-service centre to be retained. It is working well and should be allowed to continue to do so.

As to securing water and electricity supplies, which the hon. Member for Stroud mentioned, we have to ensure that the Mythe water works, located close to my home, is protected. We cannot allow hundreds of thousands of people to lose their drinking water again. In respect of the Walham electricity works—one sub-station apparently serves 600,000—it cannot be right to put people into such a vulnerable position. I understand that Hesco bastions, which are protective borders, have been put around the Mythe works on a temporary basis, with the possibility of them becoming permanent, but I have to say that this is not rocket science. It should be simple to provide those protections, which must become permanent at Mythe, Walham and elsewhere.

We also need to secure a network of alternative supplies. It is strange that so many people who could lose their water supplies are dependent on just one service or one water treatment plant. When the Prime Minister went there during the crisis, his first remarks were something like, "This is rather an old building or

an old service station, isn't it?" Well, he had a good point. The plant usually works very well and the people employed there work hard, but so many people's water should not be dependent on one particular water treatment plant and the same applies to electricity.

I want to touch on the role of Severn Trent. It is perhaps understandable that it was totally overwhelmed by what happened. However, it operates—I suppose inevitably—as a monopoly, so it is in a different position. People cannot choose to go elsewhere for their water. A great deal of anger was directed at Severn Trent: some of it may not have been justified, but I can certainly understand quite a lot of it. I suggest that Severn Trent should be more a part of the community and should update its emergency planning. There was a tremendous effort in Tewkesbury to get bowsers and bottles of water to everybody. I believe that we ended up with most of the available bowsers in the country, so what would have happened if there had been a similar emergency somewhere else in the country? All the water companies need to be aware of what can happen and ensure that they can respond to these situations more strongly if they occur again.

I come on to the Environment Agency. Some years ago, the Environment Agency was monitoring a chemical treatment plant, operated by Cleansing Service Group and based in Sandhurst in my constituency. It was watching it so closely that the whole thing blew up one day and it simply did not carry out its job properly. I have many criticisms of the Environment Agency and I shall run through a few issues that are linked to it. If they are not currently its responsibility, perhaps they should be.

I have already mentioned drainage, but I want to touch on the responsibility for brooks, rivers, waterways and drains. In answer to my parliamentary question 148307, the Minister said:

"Drainage is a complex issue and responsibility rests with water and sewerage companies, the Environment Agency, local authorities and private owners."—[*Official Report*, 16 July 2007; Vol. 463, c. 9W.]

It is too complicated—too many issues fall between two stools. The responsibility needs to be clearly defined.

The Environment Agency has become a statutory consultee in planning applications. That is not strong enough. It needs to have a much greater say in whether certain planning applications are granted. It needs a better and faster warning system: the Environment Agency claims to have warned many thousands of people, but many people were not warned about what was coming. Farmers were particularly affected, and while I pay tribute to the Royal Society for the Prevention of Cruelty to Animals and the National Farmers Union for their excellent work in getting water to many livestock, there was a big problem with the warning system, which needs to be examined.

Spending on specific national flood defence projects is necessary, but individual flood defences also need to be up to scratch. The Environment Agency needs more responsibility, more powers, adequate funding and more confidence to sort out problems, or else it needs scrapping. As it stands, it serves no useful purpose; we cannot leave it as it is.

We heard a lot about the weather that led to such problems being unprecedented. I shall steal a phrase from the chief constable of Gloucestershire—I warned him that I would—who was the head of Gold Command. He said that if such weather happens again, it will not be unprecedented; we will have gone through it before, in July this year. I am glad to welcome to the Chamber the hon. Member for Forest of Dean (Mr. Harper), who also suffered and worked hard during these difficulties. I thank him for offering to help me out when it was difficult for me to be in three or four places at once.

The weather might have been unprecedented this time, but if it happens again, it will not be unprecedented. It might have been a once-in-150-years event. We are told that the effects of climate change will be severe, so we cannot take the view that it will not happen for another 150 years. Heaven forbid, it could happen tomorrow, next week, next month or next year—perhaps it will not happen for another 150 years, but we simply cannot take the chance.

As we know, Tewkesbury is an area that will flood, but let us not make it worse than it needs to be. Let us do everything that we can to lessen and mitigate the damage of any future heavy rainfall. More than anything, people who have suffered, and are still suffering, want to see lessons learned. Please let us learn those lessons.

**Madam Deputy Speaker (Sylvia Heal):** Order. Owing to an administrative error, a petition from the hon. Member for City of York (Hugh Bayley) was not called before the Adjournment was moved. In the light of the time available, I am prepared to call him to present his petition now.

## PETITION

## Police (North Yorkshire)

4.24 pm

**Hugh Bayley** (City of York) (Lab): I am most grateful to you, Madam Deputy Speaker, for using the rules in a constructive way to allow me to present this petition this evening.

The petition is from my constituent, Mr. Jeremy Small, who is a journalist. The petition concerns the North Yorkshire police budget. The petition, run by Mr. Small's newspaper, the *York Press*, has been signed by 1,000 residents of York and North Yorkshire. I shall present those signatures to the Home Secretary, who has kindly agreed to meet me to discuss the issue.

The petition states:

To the House of Commons

The Petition of Mr. Jeremy Small

Declares its concern that the Home Office may reduce its grant to the North Yorkshire Police Force.

The Petitioners therefore request that the House of Commons urges the Home Secretary to abandon any plans to reduce the grant and to retain adequate funding for the county's police force to keep crime levels down.

And the Petitioners remain, etc.

*To lie upon the Table.*

## Flooding (Gloucestershire)

*Motion made, and Question again proposed,* That this House do now adjourn.—*[Mr. Watts.]*

4.25 pm

**Mr. Mark Harper** (Forest of Dean) (Con): Thank you for your indulgence, Madam Deputy Speaker. I will be very brief. As I suspect that my hon. Friend the Member for Tewkesbury (Mr. Robertson) has covered a number of the matters that I shall raise, I beg your forgiveness if I am repetitive. I apologise for not being present at the start of the debate; I was serving on a Public Bill Committee.

Given that a number of my constituents were affected by the flooding, I want to record my thanks to all the emergency services, and the armed forces, for the tremendous work that they did. I know my hon. Friend agrees that although the loss of life was tragic for the families and individuals directly concerned, we have the emergency services to thank for the fact that it was not very much greater. The way in which our emergency services in Gloucestershire, with Gold Command based at the tri-service centre, worked so closely together demonstrated the success of that model, and I hope that the lessons learned inquiry will make recommendations to the Government that will make them think again about the attempt to regionalise fire control.

Those of us whose constituencies were affected by the flooding welcomed the fact that Ministers were responsive throughout the recess and kept Members properly informed. We were able to question them on what was going on, which gave us a valuable opportunity to raise issues and secure action on a number of matters that affected us locally. I also thank Ministers for the £10 million that they have given Gloucestershire county council to help with the repair of roads that were damaged across the county—but having thanked the Minister for the down-payment, I should remind him that another £17 million is needed for further repairs. I know that his colleagues in the Department for Transport are working with officials from the county council to settle the details, and I hope that the money will be forthcoming.

I want to make two more points. The first concerns council tax. I am aware that the Department has provided money for a number of the authorities concerned. Tewkesbury borough council, part of which covers my constituency, has used the money very quickly. Much of it has been used directly to help constituents and to defray some of the cost. The Minister might consider encouraging the Valuation Office Agency to be as flexible as possible where constituents have suffered property damage.

A case in my constituency is being examined, and I hope that the right decision will be made. My constituents have been unable to live in their main residence, but because they are occupying a caravan on the site they are having to pay the full council tax on the property. That is clearly not appropriate. To be fair to the Minister, I should add that the Valuation Office Agency is considering the case. I hope that it will be able to observe the state of the property, and will charge the appropriate council tax for occupation of the caravan. I know that Ministers have been flexible when such issues have arisen in the past, and I hope that they will be so in this instance.

I raise my second point not necessarily in expectation of action in a specific case, but in the hope that Ministers may, as part of their response to the lessons learned inquiry, consider the rules governing utility companies and loss of water supply. In Gloucestershire a number of residents across the county were without mains water for a significant period. Because of the exceptional nature of the event, it has been decided that the compensation scheme, which would normally require Severn Trent Water to compensate both domestic and business users for the loss of their supply, will not take effect. Severn Trent Water has made a payment to local authorities in lieu of that, but it will not surprise the Minister to find out that that amount is significantly less than what would have been due under the scheme. It may be worth looking at whether it is appropriate that the compensation scheme does not operate in a case where a significant number of consumers have been affected.

To add insult to injury, Severn Trent Water is not even considering not charging them for water supply during the period for which they were without water. Constituents will have to pay their full annual bill. For a significant period, they were greatly inconvenienced. They would welcome the Government looking again at that matter.

Thank you, Madam Deputy Speaker, for the opportunity to raise those issues and to put those concerns on the record. I look forward to hearing what the Minister says in reply.

4.30 pm

**The Minister for the Environment (Mr. Phil Woolas):** It is extremely appropriate that we have this Adjournment debate in the first week of the return of Parliament. The last Adjournment debate before the summer recess was on flooding. I was grateful to Mr. Speaker for the opportunity to reply to that debate. I want to put a few, I hope, serious points on the record.

I congratulate the hon. Member for Tewkesbury (Mr. Robertson) and I want to thank him, because my experience throughout the summer, during the many meetings, telephone conference calls and visits, and in reading letters and other correspondence, was that he acted with due diligence on behalf of his constituents. He criticised the Government or the authorities when it was helpful to his constituents and not when it was only helpful to him. He asked for what we could give him but did not ask for things that we could not give him. He behaved as an entirely responsible Member. If I were his constituent, I would be very proud of him. I would not say that I would vote for him, because that would bring party politics into it, but the serious point is that I would like to put that on the record. It says in *Dod's Parliamentary Companion* that the hon. Gentleman has run six marathons. He must be a Lancastrian to have such stamina. I seriously congratulate him on the role that he played.

I said in the Adjournment debate in Westminster Hall that, if ever there was proof of the case for single Member constituency Members of Parliament, it was the flooding events recently. Members of Parliament for constituencies across the political spectrum throughout our country were able to solve problems on behalf of their constituents. I hope that Ministers were able to play their part, too.

The Minister for Local Government was appointed as the Minister with responsibility for flood recovery in circumstances that would have made the late Lord Howell proud. He has done a sterling job. He has ensured that the flood recovery effort has carried on. Indeed, I think that we have had seven ministerial meetings, the latest of which was yesterday. Officials and Ministers from across the Whitehall Departments met, long after the national media, although not the local media, had lost interest. I thank also the flood recovery officials group, or FROG—a horrible acronym. It has been working very hard throughout the period; it is still working hard now.

I pay tribute also to the hon. Member for Forest of Dean (Mr. Harper). May I, perhaps unusually, answer his points first, because that will form the unscripted bit of my reply? I hope that the hon. Member for Tewkesbury and indeed my hon. Friend the Member for Watford (Claire Ward), the Whip, will allow me to do that, because we have a bit more time than we would otherwise have had.

The hon. Member for Forest of Dean makes the point about Gold Command, and he is right. Built into the Civil Contingencies Act 2004 is the philosophy of lessons learned. Part of the approach of the professionals is always to ask for criticism, in order that they can learn from individual circumstances. It has been the endeavour of the Government that support for the civil contingencies procedure should be all-party, which is why we involve Opposition spokespersons in the briefings and so on. It does not work without public resilience and therefore requires an all-party approach.

The Gold Command structure is, on the whole, working. The experience from the floods in June and July was that we were a lot better off with that structure than we would have been without it. That is not to say that we cannot learn lessons, as the hon. Member for Forest of Dean says. I hope that we will be able to persuade him of the virtue of the regional fire control centres. As he knows, 999 is regional already and the idea of the regional centres is to make improvements. The co-ordination of kit and equipment—in this instance, in the floods and at other incidents such as Buncefield—has been made better by the regional control centres. I hope that he will be persuaded over the months of the benefits of that.

The hon. Gentleman was gracious enough to thank Ministers for their involvement, and I thank him for that. On the question of money, he again graciously acknowledged the allocation so far. The Minister for Local Government has been incredibly diligent in his approach and is leading the UK request to the EU solidarity fund. We also have the Bellwin scheme—created, I think, by Lord Bellwin. He is the only Minister to have anything complimentary named after him.

The hon. Gentleman made an interesting point about the Valuation Office Agency. That matter came up in one of the conferences with MPs and I shall take it up. If someone is living in a caravan in their own grounds and being charged when they would not be if they were living in a caravan not on their own grounds, that suggests that the hon. Gentleman—I am anxious not to make commitments that I cannot fulfil—has a point. The loss of water supply—we discussed that yesterday—is an ongoing issue.

The Minister for Local Government, the Secretary of State and other Ministers including myself visited many areas across the country during the unprecedented flooding and saw for ourselves how destructive, distressing and, on many occasions, frightening the flooding has been. The debate gives me the opportunity to echo the words of the hon. Member for Forest of Dean in praising the magnificent response of those affected. No civil resilience planning works without public resilience, which means that having confidence in the authorities is essential.

There are many stories and they will be documented over the years, but I want to put our appreciation on the record. I include in that the utility companies, which have been criticised but whose individual employees went the extra mile, as has been acknowledged. We know that the recovery from the impact of flooding is long and arduous and continues long after the media news reports have finished. I would like to thank BBC local radio—I know that the Secretary of State has done so on record with the BBC—as well as commercial radio, which played an important role. Their compilation of reports was hugely important in giving information, not just in reporting news.

The good news is that the comprehensive funding package of up to £57 million to assist flood-affected regions and to help those in greatest need, including funding for schools, transport and businesses, has been put in place. Over £2.5 million of flood recovery money has been provided to Gloucestershire and we have given local authorities the flexibility to decide what to do with that money based on local circumstances. That is almost as important as the amount of money given.

In addition, Gloucestershire will be given at least £10 million for highways works and more than £1 million for schools and children's services affected by the floods. The South West of England Regional Development Agency also has a business recovery scheme. Grants of up to £2,500 are available to small and medium-sized enterprises, and, to date, almost £1m in grants has been allocated to businesses. The generosity of the public and businesses must also be acknowledged; I understand that they have so far donated almost £800,000 to the Gloucestershire flood relief fund, which will help those who have suffered hardship as a result of flooding.

My hon. Friend the Minister for Local Government is leading a co-ordinated effort across Government to ensure that we do as much as we can to assist those in the flooded areas. Our message is that they are not forgotten. A meeting yesterday to look in detail at the problems was attended by officials of more than 25 Departments and agencies, and we continue that work.

Let me repeat the point about the exceptional weather. Rainfall in the constituency of the hon. Member for Tewkesbury was the highest since records began in 1766. The flood warning I received in my ministerial box the evening before warned of severe floods in central and southern England, but it is simply not possible to give warnings of conditions of the severity that his constituency suffered—which created dangerous circumstances and, tragically, resulted in loss of life.

*[Mr. Phil Woolas]*

Measures are required to respond to and manage sudden increases in water flow: putting in place defences and better drainage; warning of flooding before it happens so people can prepare; and reacting quickly and effectively when it does occur, as it inevitably will from time to time, and our water management infrastructure is overwhelmed beyond its design capacity. We must also have procedures in place to minimise distress, to avoid injury and loss of life, to provide immediate rescue services and help for those whose homes have been made uninhabitable, and to maintain essential services. We witnessed in Gloucestershire the enormous effort people made to operate those procedures successfully.

In the longer term, we must look at how we can avoid making the problem worse, especially given the impact climate change will have in terms of rainfall levels and increasing the frequency and intensity of downpours. It is not possible to say that there was a direct causal link between climate change and the events in July in the hon. Gentleman's constituency, but it is highly likely that there was a connection, and the case for climate change is proven—as, incidentally, the judge in the recent Al Gore film case recognised.

Physical defences will continue to be the most important mechanism that we have for protecting lives and property from the risks of flooding and erosion, but we recognise that building bigger and ever higher is not sustainable. Our cross-Government "Making Space for Water" strategy development programme is looking not only at how we optimise flood management spend, but at other ways in which we can take an in-the-round and sustainable approach to the management of risk from all forms of flooding—from rivers, the sea, groundwater, surface run-off and sewers. We are looking at, and delivering, a broad range of management measures.

We are aiming to improve management of the risk nationally by giving the Environment Agency a strategic overview of all forms of flooding in close partnership with local authorities, the water companies and other bodies. The hon. Gentleman made a point about co-ordination. The point is to have co-ordination, rather than the idea—I am not saying that he suggested this—that we give all control and ownership of the problem to one authority. We think better co-ordination is needed.

We shall look at the review that is being carried out by Sir Michael Pitt. Although I was not involved in his appointment, I could not have chosen a better person to carry out that review for us, and I am sure that co-ordination is one of the things that he is examining.

**Mr. Laurence Robertson:** I thank the Minister for his generous remarks earlier, which are very much appreciated. On the investigation being carried out by Sir Michael Pitt, will he be able to meet all Gloucestershire Members of Parliament, individually if necessary? The Minister will be aware of the difficulties of getting six Members of Parliament together when it also suits Sir Michael's diary. He is visiting Gloucestershire next week, when a number of us will not be available to meet him, and it is important that we have a chance to talk to him about the situation.

**Mr. Woolas:** If Sir Michael cannot do so, I will listen to the individual Members of Parliament. I will raise this matter with him, and I know that he will be diligent.

The fact that Members of Parliament raised issues with Ministers, whether we are talking about my hon. Friend the Member for Bassetlaw (John Mann) and the Trent basin or the hon. Gentleman and the Severn basin and elsewhere in the country, benefited constituents. Not only were Members able to bring issues of huge importance straight to Ministers' attention, but, more importantly, the team of officials—through the Gold Command structure immediately and through the recovery effort latterly—was able to hear the articulation of people's frustrations on a range of issues directly from the areas. I was proud of our parliamentary system when that kicked in and did so in a completely non-partisan way.

The answer to the hon. Gentleman's question is that I shall urge that the approach he spoke of will be taken. If it is not, and probably in any case, we shall want to act at parliamentary level.

We have increased the funding significantly in recent years. I hope that hon. Members welcomed the Secretary of State's announcement that funding for flood defences will increase to £800 million in 2010-11. We are also working with the Environment Agency to develop a long-term investment strategy, to build on the one that we already have, for river and coastal flood-risk management, looking ahead over the next 20 years to deliver those objectives.

The hon. Gentleman raised an important point about insurance. I was disappointed to read the comments of the Association of British Insurers earlier in the week. The amount of money spent on flood defences is never enough—I say that openly, although I know that I will be misquoted in certain parts of the media. How does one know how much to spend? One takes a risk assessment, just as insurance companies do. The Government have increased significantly the amount of money that they are spending, but, as the Environment Agency is the first to point out, the lead-in times on projects can be significant. The projects cannot be turned on and off, like water—I hope that you will pardon the pun, Mr. Deputy Speaker.

We think that our work with the ABI is constructive, and I know that it reciprocates that view. I assure hon. Members that we have found from our meetings that our shared commitment to the statement of principles that we have with it is secure. There has been no reason to think that insurance will not be available and that the statement of principles will be breached. My understanding is that insurers will use their best efforts to provide flood cover, and will work with customers who take measures to allow insurance to continue, even where they may not be covered by the statement of principles. I hope that I can reassure the hon. Gentleman's constituents that they will be able to carry on getting insurance, and that we are committed to that statement of principles.

I have used more time than I would normally be allowed, so I shall draw my remarks to a conclusion. I have not used this debate to make a comprehensive

statement of the Government's policy on flood defences; I would take more than the time that I could use, were I to do so.

The hon. Gentleman talked about the critical infrastructure. Clearly, we have to re-examine the defences against flooding. In critical infrastructure we need to include not just the utilities, but some infrastructure that may not be obvious, such as communications infrastructure. I look to Sir Michael's report on that point. The hon. Gentleman did not suggest that the matter was simple, but let me say that it is not as simple as putting a barrier around a sub-station. As all of us who witnessed the floods know, drainage and the drain system are critical. Often the most dangerous aspect of flooding is the impact that is has on drains. While pumping out from the drains, one is also trying to stop the water coming in. That is true of critical infrastructure. It was the case at Walham. Water treatment works are often, by definition, at the most vulnerable points in the river basin. That is why they are where they are. The hon. Gentleman knows the geography of the Severn basin better than I do, but simply looking at a map shows why it is where it is.

The hon. Gentleman made an important point about bowsers and the co-ordination between utility companies. We need to redouble our efforts to ensure that we have provision there, should it be needed—may goodness forbid it. From the information that I have, I am confident that that worked well, but it could always go horribly wrong. I invite the hon. Gentleman to take part in the review that Sir Michael is undertaking, which I know will be approached consistently.

Through the opportunity of this Adjournment debate, I wish to reassure the hon. Gentleman's constituents that the Government and their agencies have not taken their eye off the ball, but are aware that the problems are ongoing. That is as true in east Yorkshire, south Yorkshire and the east midlands as in his region. We hope that we can continue to work constructively to alleviate the devastation that his constituents suffered.

*Question put and agreed to.*

*Adjourned accordingly at eight minutes to Five o'clock.*

# House of Commons

*Monday 15 October 2007*

*The House met at half-past Two o'clock*

**PRAYERS**

[MR. SPEAKER *in the Chair*]

# Oral Answers to Questions

## HOME DEPARTMENT

*The Secretary of State was asked—*

### Police Time

1. **Lynda Waltho** (Stourbridge) (Lab): What steps she is taking to reduce the time it takes police officers to return to their beat after making arrests. [157277]

2. **Rosie Cooper** (West Lancashire) (Lab): What steps she is taking to reduce the time it takes police officers to return to their beat after making arrests. [157278]

**The Secretary of State for the Home Department (Jacqui Smith):** We are delivering a wide range of measures to enable officers to return to their beat after making arrests more quickly, from better working practices in custody suites to a new £50 million fund to give the police access to 21st-century crime fighting technologies. One such innovation is the 1,000 new mobile computers that we intend to roll out this year, followed by a further 10,000 more next year. Those units, which reduce unnecessary trips back to police stations, have been shown to increase the time officers spend on front-line duties by up to 54 minutes per officer per day.

**Lynda Waltho:** I thank my right hon. Friend for that answer. I spent part of the summer working with the West Midlands police, and at every level, from superintendent to custody suite, the issue of form filling was raised time and again. Can she reassure me that once information has been put into those computers, there will not be a requirement to repeat and repeat the process? Overwhelmingly, the frustration expressed to me by officers was that they had to repeat the same information on form after form.

**Jacqui Smith:** My hon. Friend makes a good point, and I am glad that she has been able, through the parliamentary police scheme, to spend time with officers on the front line. One of the major benefits of the mobile and hand-held machines that we are making much more widely available to police forces and individual police officers is the ability not just to enter information, but to have it ready populated into forms, which can then be much more easily transferred into other forms or case file preparation. I can give my hon. Friend the assurance she seeks; that concern is one of the reasons for the extra £50 million capital investment in this area.

**Rosie Cooper:** In congratulating Lancashire constabulary on coming top of the policing results last week, will the Minister tell us what steps she is taking to reduce the time it takes for police officers to return to the beat after making arrests? That is a particular problem in my area.

**Jacqui Smith:** My hon. Friend is right to draw attention to the excellent progress being made by the Lancashire force, which, of course, came at the same time as we were able to publish the police assessments showing that progress is being made across the board in improving policing. She is also right to say that it is important for the increased numbers of police officers, supported by police community support officers and increasingly by civilian officers, to be able to focus their attention on the front line, and be visible and accountable, as local communities want them to be. That is why it is important that we are investing in the increased use of technology, and why we have asked Sir Ronnie Flanagan, the chief inspector of constabulary, to look specifically at bureaucracy and what we can do to free up police officers so that they can focus their attention on the front line. We welcome Sir Ronnie's interim report; we will look closely at his recommendations and at how he develops them in his final report, which we are expecting early next year.

**Mr. Douglas Hogg** (Sleaford and North Hykeham) (Con): I can tell the Home Secretary that those of us who practise in the criminal courts know that many of the records made are never seen again, and are basically designed to protect the reputation of the police authority against complaints. Given that, I suggest that an awful lot of the records could simply be dictated by an officer on to a secure tape, and not subsequently transcribed unless there is some form of complaint or inquiry. That would save a great deal of time.

**Jacqui Smith:** The right hon. and learned Gentleman makes a very interesting suggestion, and one of the areas that police officers have identified as time-consuming is case file preparation. That is why considerable progress is already being made in London through the implementation of new guidance on how that progress can be sped up—for example, by saving about an hour and a half in the preparation of each case file. Given that we have made a commitment to look further at how we can extend that process, and how we can make more progress in that area, I am sure that Sir Ronnie will want to consider carefully the right hon. and learned Gentleman's proposal.

**Tony Baldry** (Banbury) (Con): Some of us are sufficiently middle aged to have practised in the courts before the introduction of the Police and Criminal Evidence Act 1984. Appropriate arrests are right, but so are appropriate convictions. Before the introduction of the Act, defence counsel could often secure acquittal simply because police officers had not had the time to write up their notebooks properly and ensure that they got everything in order. When cases came to trial, there were therefore various gaps. There has to be a balance. If we are to

secure convictions, the paperwork has to be done correctly; otherwise we pay the penalty in the Crown court, down the other end.

**Jacqui Smith:** The hon. Gentleman's words are wise. Of course, as well as the improvements that we hope and believe that we can make to case file preparation, we are also currently considering a review of the provisions of the 1984 Act, precisely to get the balance right between ensuring that convictions, when appropriate, can be secured, and reducing any bureaucracy that is associated with that Act. We have been working on that since March, and have already had many positive suggestions, which we will consider how to introduce.

**Mrs. Madeleine Moon** (Bridgend) (Lab): F division of South Wales police, which covers my constituency and that of my hon. Friend the Member for Ogmore (Huw Irranca-Davies), has introduced a new scheme for prioritising calls to police headquarters so that priorities 1 and 2 go to response teams, priorities 4 and 5 go to community teams and community support officers, and priority 3 calls are picked up by whoever has spare capacity. That prioritisation has reduced the amount of paperwork and previously wasted response time to calls. Could that scheme be taken up by other police forces throughout the country?

**Jacqui Smith:** My hon. Friend makes an important point, which Sir Ronnie Flanagan also made. Sometimes, changes in business processes—for responding to the public and for carrying out policing—can be as effective in helping to free up time as a straightforward look at paperwork. My hon. Friend makes an interesting proposal and describes an interesting experience; I am sure that Sir Ronnie would want to consider carefully how it can be shared more widely across the country. As my hon. Friend makes clear, it all depends on the increasing availability of police officers who are focused on our neighbourhoods. That is where neighbourhood policing, to which we are committed and which already covers three quarters of the country, has an important contribution to make.

**Mr. David Ruffley** (Bury St. Edmunds) (Con): After 10 years, five Labour Home Secretaries and five red tape reviews, the police still spend more time on paperwork than on patrol. To the amazement of beat officers, Ministers claim that they have abolished 9,000 forms. Given that the Government have got "previous" on dodgy data, will the Home Secretary today publish the list of those alleged 9,000 forms?

**Jacqui Smith:** I thought that it would not be too long before the practical and sensible approach that hon. Members of all parties had taken to this issue was destroyed—and I did not have to wait long.

We want to ensure that our increased numbers of police officers spend the maximum amount of time on the beat, doing things that are important for communities. That is why we have not only made changes, including removing forms, but asked Sir Ronnie to examine the matter carefully and ensure that we make even more progress. I note that the police performance assessment framework results published last week show that the amount of time spent on front-line policing has increased for the third consecutive year. Not only we, but—more importantly—the communities that the police officers serve will welcome that.

## Police Bureaucracy

3. **Mr. Douglas Carswell** (Harwich) (Con): What recent assessment she has made of progress in reducing police bureaucracy. [157279]

**The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty):** As my right hon. Friend the Home Secretary suggested, we have made good progress in reducing police bureaucracy, with improvements to, for example, working processes, work force modernisation and using new technology.

**Mr. Carswell:** What plans does the Minister have for making police forces more locally accountable to ensure that the time police spend on the beat can be determined according to local requirements?

**Mr. McNulty:** The hon. Gentleman knows that one of the key strands of Ronnie Flanagan's review is local accountability. He has not waxed lyrical on it in the interim report, but he will by the end of the year, or January. If the hon. Gentleman has ideas about accountability, he is welcome to submit them to the review; I am sure that Sir Ronnie would welcome his input.

**Mr. David Chaytor** (Bury, North) (Lab): Would not one of the best ways of securing such efficiencies be to give officers the incentive of a reasonable pay settlement this year? Will the Minister remind us of the state of play in the arbitration process, and does he not agree that it is only reasonable for the outcome of arbitration to be binding?

**Mr. McNulty:** As my hon. Friend will know, the arbitration panel is due to report on 2 November, and it would be entirely unreasonable of me to pass judgment on any aspect of the settlement while it is being dealt with by arbitration.

**Dr. Vincent Cable** (Twickenham) (LD): Can the Minister explain how police bureaucracy has reached such a point that a nine-year-old boy in my constituency fishing out of season in a royal park had to be subjected to the full process of caution, a stop-and-search procedure and the issue of statutory forms in order to be advised to fish at another time of year?

**Mr. McNulty:** I always take Liberal Democrat renditions of particular stories with a pinch of salt—[HON. MEMBERS: "Renditions?"] Yes, renditions, extraordinary or otherwise. However, if the hon. Gentleman gives me the details of the case, I shall certainly look into it.

**Mr. Julian Brazier** (Canterbury) (Con): Does the Minister accept that one of the worst examples of police bureaucracy is the requirement for a senior officer to spend a great deal of time on an appraisal before a suspect can be closely monitored? Such a procedure was thought unnecessary before the introduction of the Human Rights Act 1998.

**Mr. McNulty:** Again, I am not entirely sure that I understand the import of the question. I should have thought that full assessment of whether people should be duly monitored in custody was quite important. If I have missed the point, perhaps we can talk about it afterwards, and I will ensure that the hon. Gentleman and the House receive a full response.

**James Brokenshire** (Hornchurch) (Con): In the past week the Metropolitan Police Commissioner, Sir Ian Blair, has said that it is absolutely ridiculous that it now takes two officers an entire tour of duty to process just one arrest, because of Government-imposed burdens. Yet rather than dealing with the bureaucracy, the Government's solution is to give cautions to violent criminals and issue penalty notices like parking tickets. I do not know whether this is "Life on Mars", but are not Ministers simply living on another planet?

**Mr. McNulty:** Sadly, I thought that I could trust the hon. Gentleman far more than I could trust the hon. Member for Twickenham (Dr. Cable) when it came to the rendition of particular speeches. That is an utterly unfair characterisation of what I thought was a very good speech by the commissioner, which followed the grain both of what Sir Ronnie has said and of what we have already done, and intend to do, about bureaucracy. I think that it is the hon. Gentleman who needs to decide what planet he is on.

**Mr. Humfrey Malins** (Woking) (Con): Last year in Surrey, just over 8,000 burglaries were reported, and only 800—10 per cent.—were detected successfully, which means that a burglar had a 90 per cent. chance of getting away with it. Does the Minister agree that that is an appalling figure, and does he think that bureaucracy may have something to do with it?

**Mr. McNulty:** I think that across a range of crimes, detection rates could and should be significantly higher than they are. The hon. Gentleman, perhaps in remiss fashion, forgot to mention that Surrey has an outstanding force, as was shown by the performance framework last week. None the less, collectively we—central Government, local government and all agencies—need to do more about the detection of all crime, not just burglary in Surrey.

## Replica Firearms

4. **Stephen Hesford** (Wirral, West) (Lab): What steps are being taken to tackle the use of replica firearms in criminal activity. [157280]

**The Secretary of State for the Home Department (Jacqui Smith):** As of 1 October, measures from the Government's Violent Crime Reduction Act 2006 were introduced which emphasise the Government's determination to crack down on the problem of replica firearms. They include making it an offence to manufacture, import or sell realistic imitation firearms, increasing the maximum sentence for carrying any imitation firearm in public without reasonable excuse from six to 12 months, and ensuring that only persons aged 18 or over can purchase such replicas.

**Stephen Hesford:** I welcome what my right hon. Friend has said so far. The Rhys Jones murder shocked Merseyside and other areas. Some replica firearms can be reconverted to live firearms. We do not know yet whether that process was involved in the Rhys Jones murder, but the murder certainly seems to have been related to rejuvenated firearms and gun culture. In Merseyside, the *Liverpool Echo* is running a campaign—rightly, in my view—on what more can be done about the link between firearms, replica or otherwise, and gang culture. What further observations can my right hon. Friend make about that issue?

**Jacqui Smith:** My hon. Friend is right to say that the murder of Rhys Jones was tragic, and very serious for his community. We all hope that the case will be brought to a conclusion as soon as possible. He is also right to say that the case identified something that I had already spoken to the House about in July—our need to focus on serious violence, particularly that which relates to guns and gangs. That is why I have made available £1 million and set up the tackling gangs action plan, and I am pleased that the deputy chief constable of Merseyside police, Jon Murphy, is now leading that work. We are increasing activity in the neighbourhoods in Merseyside, Greater Manchester, Birmingham and London where most gun and gang-related violence occurs. As a result of the way in which local police forces, local authorities and my Government colleagues have engaged in that work, I am optimistic that we will see important results very quickly.

**Mr. Nick Clegg** (Sheffield, Hallam) (LD): I welcome the action being taken against replica guns, but will the Home Secretary say something about the number of real guns being smuggled into the country? Why are there nine times as many customs officers now dealing with cigarette smuggling as there are dealing with the illegal trade in real guns? Will she assure the House today that any new national border force will have real police powers and the necessary resources to deal with this awful trade in such dangerous weapons?

**Jacqui Smith:** I can assure the hon. Gentleman that I have asked the Serious Organised Crime Agency to prioritise investigating the illegal firearms trade, and I am content that that is happening. I am pleased that, as a result of the cross-Government work that is part of the tackling gangs action plan, Her Majesty's Revenue and Customs has agreed to prioritise intelligence gathering about, and catching, those who are importing firearms. Through the work of those organisations, and the Border and Immigration Agency, in tasking the new unified border force that we will be putting in place, we will be able to have a bigger impact than previously on the international trade in guns, which has achieved a new priority in the work of all those agencies.

**Mr. Bill Olner** (Nuneaton) (Lab): The whole House appreciates the extra measures concerning replica guns, but might there be a real strengthening of border controls so that people know that if they purchase guns legally abroad, it will be illegal to bring them into this country?

**Jacqui Smith:** My hon. Friend makes two important points. First, I hope that he is reassured that the agencies involved in the trade and border control of guns will be upping their game in this area. Secondly, he raises an important point about the availability of imitation and replica firearms in the rest of Europe. This country has the toughest firearms legislation, and it is right for us to lead the way, as we are in Europe, in trying to strengthen the European weapons directive to cover the production and sale of realistic imitation firearms in other European countries where they can be too easily bought and brought into this country. I pay particular tribute to Arlene McCarthy MEP for leading that work in the European Parliament.

**David Davis** (Haltemprice and Howden) (Con): After the tragic death of Rhys Jones, the Home Secretary made the extraordinary claim that

"statistics aren't a help but gun crime is down".

That is an extraordinary claim. This year's Home Office report contains one set of figures that cannot be rigged: gunshot woundings. The figures disclose that gun-related killings and injuries have increased fourfold since 1998. Does the Home Secretary recognise that if she cannot even count gun crime, she certainly cannot cut it?

**Jacqui Smith:** As the right hon. Gentleman knows, what I actually said is that gun crime has decreased by 13 per cent. in the past year. That is correct, but what I also made very clear—and have made clear, too, in my subsequent actions—is that I believe that the use of guns is a serious problem, particularly in relation to gang-related violence and their use by young people. That is why my priorities have been not only extra investment, but extra action focused on the areas where it is most likely to make a difference, and why that action is now under way.

**David Davis:** That does not get us past the fact that gun crime has quadrupled under the right hon. Lady's party's Government. She also claimed that Labour's "tough"—to use her word—five-year minimum sentence for anyone over 18 possessing a gun is serving as a deterrent, so will she explain why the five-year sentence became law for 18 to 21-year-olds only this year, rather than four years ago when the original law came into force, and why the law is so riddled with loopholes that only one in five convictions of over-21-year-olds involves the enforcement of that five-year minimum sentence? Is that her idea of being tough on gun crime?

**Jacqui Smith:** What I do know is that in 1995 the average sentence for the possession of guns was 12 months, and that, following the action that this Government have taken, the average sentence is now more than 47 months. That is because we have been willing not only to take the tough decisions, but to put them through the House by voting for them—often in the face of opposition from both main Opposition parties—and then to put them into operation.

## Police Firearms

5. **Mr. Ben Wallace** (Lancaster and Wyre) (Con): If she will make a statement on the circumstances in which armed police officers may open fire. [157281]

**The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty):** All police use of firearms is subject to the usual law on the use of force. Under section 3 of the Criminal Law Act 1967, the police may use such force as is reasonable in the circumstances to effect an arrest or to prevent crime.

**Mr. Wallace:** With more and more guns in circulation and in the hands of criminals, and an increasing terrorism threat, our armed police are being asked almost every day to make the toughest decision of all: whether to open fire. Will the Minister consider looking at having rules of engagement guides across the United Kingdom, as was the case with our security forces in Northern Ireland, to ensure that clarity is given both to the public and to the police about exactly where they stand, and so that if there are any incidents no one gets hung out to dry and everyone gets protected?

**Mr. McNulty:** I certainly accept the hon. Gentleman's point about that split-second decision that our armed police have to make in such circumstances; it is a critical decision. The Association of Chief Police Officers already sets such guidelines and—with all due humility—I think that the House is happier that that is the case than it would be for me or any other Minister to set such guidelines.

**Fiona Mactaggart** (Slough) (Lab): Is it not now more common in Britain for police officers to carry guns—and, particularly following the Jean Charles de Menezes incident, is it not the case that people need to have confidence about the moment of decision when they are used? There might be benefit in having a wider public debate, and greater public awareness of how police come to such split-second decisions and in what circumstances they can decide to shoot.

**Mr. McNulty:** I think that, overwhelmingly, the public do have that confidence. That is borne out, at least in part, by the figures. Although, as has been suggested, there has been a significant increase in the number of incidents in which armed police were deployed, the number of such authorised operations compared with the number of incidents involving the actual use of firearms was about 0.04 per cent. in 1996-97 and 0.048 per cent. in the last full year, 2005-06. There means a range of five to nine incidents when firearms were actually used. Therefore, notwithstanding events such as those at Stockwell, such confidence exists, and if there needs to be more awareness, we can look into that.

## National DNA Database

7. **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): What recent estimate she has made of the number of people whose DNA is held on the national database who have committed no offence. [157283]

**The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier):** Data obtained from the police national computer in June 2006 provides the latest available information on this issue, but I have asked officials to provide more up-to-date information as soon as that is available, and I have also asked that

data both on those arrested but not subsequently convicted and on those who have been convicted be included in the DNA database annual report from early next year.

**Mr. Crabb:** The Minister may be aware of the case of my constituent, 75-year-old Geoffrey Orchard, who was wrongfully arrested and received a written apology from the police, but who still cannot get his DNA information removed from the database. I know that the Minister will say that she cannot do anything about that case, but does she really understand the enormous extent to which good will and support for the police and for her Department are being undermined by a system in which DNA information is being recorded aggressively, but removed in a haphazard way and on a discretionary basis, dependent on police force area?

**Meg Hillier:** It is worth stressing that a person's DNA being on the database does not suggest guilt; it is simply a registration of their DNA and basic biographical information. It is also worth asking which of the crimes solved thanks to the DNA database—the 452 homicides, the 644 rapes and the more than 8,000 domestic burglaries—the hon. Gentleman wishes had not been resolved as a result.

**Mr. Graham Stuart** (Beverley and Holderness) (Con): Does the Minister agree with Lord Sedley about the potential benefits of a DNA database of all citizens? If so, will she and the Home Secretary volunteer samples to boost the database and help in the elimination of cold-case suspects in drug and other offences?

**Meg Hillier:** There are no Government plans for a universal database such as Lord Justice Sedley has suggested. However, I and other Ministers would welcome a debate about the DNA database, which has grown. Unlike the hon. Member for Banbury (Tony Baldry), I studied it when it came into force—when I was doing A-levels—so we have different perspectives on the matter. Because it has grown to include more than 4 million people, it is important that we get the chance to debate how we proceed. I have already asked officials to look at the design of the forms on which people give their permission—if they have given it voluntarily—for that information to remain permanently on the database.

## Antisocial Behaviour

8. **Ben Chapman** (Wirral, South) (Lab): What steps her Department is taking to tackle antisocial behaviour in Wirral, South. [157284]

**The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker):** We have provided practitioners with a toolkit to tackle antisocial behaviour, which they operate according to local priorities. In Wirral, a multidisciplinary antisocial behaviour team operates many initiatives, based on prevention and enforcement, that engage, educate and promote awareness among young people, engage with residents and tackle antisocial behaviour in families. Neighbourhood policing is also important in combating antisocial behaviour, as I witnessed on my visit to Bromborough police station in Wirral.

**Ben Chapman:** Does my hon. Friend recall from his visits to Wirral that what bothers my constituents in particular about local policing is that officers are constantly withdrawn—albeit to important duties elsewhere on Merseyside—and that that situation will be greatly exacerbated when Liverpool is European capital of culture in 2008, especially in the absence of more Home Office funding? Does he agree, however, that a key way of combating antisocial behaviour is not just bobbies on the beat and more laws, but considerably less tolerance?

**Mr. Coaker:** One of the key reforms that the Government have introduced is neighbourhood policing, which, as my hon. Friend knows, has been introduced in every area from April 2007. However, from April 2008 there will be a dedicated neighbourhood policing team in every area, which means that his constituents in Wirral, as elsewhere, will know that officers who are supposed to be—and who one would expect to be—in their area, are there, policing. With him, I saw for myself the important and good work that police officers and police community support officers are doing in Wirral. He will be reassured to know that they told me that their approach is to ensure that they enforce the law, and to have zero tolerance of the so-called lesser offences that, as he knows, are often the very ones that drive our constituents mad.

**Andrew Miller** (Ellesmere Port and Neston) (Lab): Had my hon. Friend stopped two minutes before visiting my hon. Friend the Member for Wirral, South (Ben Chapman), he could have visited a superb pubwatch scheme run by publicans in Neston and supported directly by the Neston police. One aspect of the scheme that has helped tremendously has been the roll-out, with the support of Cheshire police, of CCTV, thereby providing a fantastic network. Will the Minister help to promote such schemes and expand them to other parts? I am thinking especially of the sharing of information across the border with the constituency of my hon. Friend the Member for Wirral, South.

**Mr. Coaker:** Neston sounds like a place where I should have stopped. Pubwatch schemes up and down the country provide a huge benefit not only to licensed premises but to local communities in which they operate. The schemes operate in many different ways in different areas, and it is for local areas to decide the best way for their schemes to operate. The most successful schemes share information not only with pubs and licensed premises in their own area, but across borders. I am sure that people from the pubwatch scheme in Neston will have heard what my hon. Friend has to say.

## Inward Migration

9. **Bob Spink** (Castle Point) (Con): What the level of net migration into the UK was in each of the last three years; and what her estimate is for the current year. [157285]

10. **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): What recent estimate she has made of projected levels of net migration into the UK over the next five years. [157286]

**The Minister for Borders and Immigration (Mr. Liam Byrne):** In the year to mid-2006, net migration into the UK was 176,000, which was about 82,000 lower than the year before and in line with the year before that. Projections are a matter for the Office for National Statistics.

**Bob Spink:** I thank the Minister for that response. With all due respect, the Government said that 13,000 people would come and yet well in excess of 600,000 have done so, putting intolerable pressure on local authorities, schools, houses, jobs and the national health service. The Government made this problem. What are they going to do to resolve it?

**Mr. Byrne:** The report to which I think the hon. Gentleman refers was one by the university of London, not by the Government. He is saying that in making immigration decisions we need to take into account not only the economic benefits to Britain, but the wider consequences. That is why, when we begin introducing the points-based system in 140 days' time, we will be listening not only to the voice of the business community when we take those decisions, but to the voice of public servants.

**Mr. Vara:** During the Labour party conference, a member of the Government, the hon. Member for Tooting (Mr. Khan), made comments that were widely reported in the press. He said that as far as immigration is concerned, people

"have no real confidence in official figures".

Given that no Minister rebutted that statement at the time, will the Minister confirm that he agrees with his colleague? After a decade in power, when precisely will the Government sort their act out on this crucial issue?

**Mr. Byrne:** My own position on Home Office figures is well documented. The most important figures, which sit at the heart of the hon. Gentleman's question, are how many people are coming into this country and how many are going out of it. As he will know, that became a difficult number to quantify when the Conservative party phased out exit controls in 1994. That policy was wrong, which is why we are reintroducing exit controls, along with systems to count people in and out of the country. I hope that the Conservative party will support that approach.

**Miss Anne Begg** (Aberdeen, South) (Lab): In recent years, Aberdeen and the north-east of Scotland have had a large influx of people from the new EU states, particularly Poland. Does the Minister accept that such migration can often be a force for good? Many of those people are settling in some of our council estates and taking houses that previously could not be let to the indigenous population, and as a result the estates are now seeing some regeneration.

**Mr. Byrne:** My hon. Friend is right. The former First Minister, Jack McConnell, was a pioneer of measures to attract new foreign students to Scotland. That policy is enormously important because international education brings about £12.5 billion a year into our economy. Along with the economic contribution that migrants make, which was worth about £6 billion in 2006, in parts of our economy migration is incredibly important.

**Mr. Ian Davidson** (Glasgow, South-West) (Lab/Co-op): Does the Minister accept that although inward migration in small doses might well be beneficial to the economy, the scale of inward migration that areas such as my own have experienced undermines our ambitions to make my constituency a zero-unemployment zone, because jobs that are made available as a result of Government activity are overwhelmingly then filled by inward migrants, who are often better skilled than those whom we are trying, with considerable effort, to get into jobs? Will he take that into account when determining how many people should be allowed to enter in future?

**Mr. Byrne:** Absolutely. That is why I said, in response to the hon. Member for Castle Point (Bob Spink), that when we decide how many points new migrants will need to come into this country—when we introduce the points system next year—we must not only listen to the voices of the business community and of higher and further education, but consider the wider impact of migration. It is only by balancing those two things that we can reach a position where we can seek a level of migration that "maximises the benefits". Those are not my words, but those of the hon. Member for Ashford (Damian Green).

**Mr. James Clappison** (Hertsmere) (Con): Does the Minister agree that while we have seen significant migration from eastern Europe since the accession of the seven states in 2004—migration that the Government certainly did not foresee—we have also seen significant increases in the number of work permits issued to workers from outside the EU, which has now increased to more than double the figure in 1997? That number is entirely within the control of the Government, so when will they take hold of this issue and draw the link between migration and the sort of issues raised by the hon. Member for Glasgow, South-West (Mr. Davidson) and housing demand, which the Government have revised upwards and now stands at one third of housing demand? When will the Government stop talking and making a pretence of acting, and do something? Finally, will the Minister say whether he wants to see the figures limited or reduced?

**Mr. Byrne:** The hon. Gentleman is once again rehearsing the arguments for a cap on migration, which we have heard for a couple of years now from Conservative Members. It started as a cap on refugees in 2005, but that policy was put in the bin by the hon. Member for Ashford in December. Then we heard about a cap on overall immigration, but we then heard in August that that would be only on economic migrants from outside the European economic area.; in other words, it would not include EEA nationals, dependants or students. In fact, it would not touch 80 per cent. of the inflow last year. The hon. Gentleman will therefore forgive me if I am unclear about precisely what he and his party are proposing.

**Jeremy Corbyn** (Islington, North) (Lab): Does the Minister accept that many of those who raise such concerns about migration, especially those on the Opposition Benches, are actually hiding very negative attitudes towards ethnic diversity in our society? Does he also agree that much of the economic success of London and the efficiency of its public services is due to people who have made their homes here and made it the prosperous city that it is? We should pay tribute to them for the hard work that they do and the commitment that they make to the wider community.

**Mr. Byrne:** My hon. Friend has been in the House for far longer than I have, so he will have greater insight into the answer to his first question. On his second question, he is right when we consider the number of work permits for people to come and serve in our national health service, which we have expanded at record pace over the past 10 years. Around a third of work permits are issued to people to work in health and medical science and their contribution has been instrumental in improving the health service to its position today.

**Sir Nicholas Winterton** (Macclesfield) (Con): Will the Minister accept that immigration is one of the major concerns in the eyes of the electorate? It has been in position 1, 2 or 3 for the past two years. It affects housing, education, law and order and the health service. Will he try to make the balance between those leaving the country and those coming in more equal, so that we do not dramatically increase the responsibilities of this country? I believe that the Minister shares my concern, so will he put it into practice?

**Mr. Byrne:** I am now completely lost. When the hon. Member for Surrey Heath (Michael Gove), who is not in his place, had to drag his Front Benchers to Westminster Hall before the summer to interrogate them on how the Conservative party would set a cap, he proposed a cap that would mean zero net migration. The hon. Member for Ashford said that he could see no magic in that and that there

"I must part company with him".

So the hon. Member for Macclesfield (Sir Nicholas Winterton) will forgive me if I am now slightly confused about the policy that the Opposition propose. Indeed, I am not alone in that. When the hon. Member for Surrey Heath was asked 14 days ago whether a Conservative Government would reduce migration, he said no. Thirteen days ago, presumably after an encounter with the right hon. Member for Haltemprice and Howden (David Davis), he said that the

"one word answer was an inaccurate way of explaining what immigration policy was...it wasn't the perfect answer. I absolutely grant you that, yes."

**Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): May I draw the Minister's attention to a business in my constituency that relies on work permits to get specialised staff? It is experiencing real problems with the Border and Immigration Agency over repeated checks on the existence and size of the business, which are getting in the way of running an economically viable business.

**Mr. Byrne:** If my hon. Friend has specific concerns into which I can look I shall be happy to do so. As part of the introduction of the points system next year, businesses that want to sponsor migrants to this country will need a licence and I hope that will make the system both tougher and more efficient.

**Stewart Hosie** (Dundee, East) (SNP): When looking at net migration the Minister will obviously take into consideration those coming in from Romania and Bulgaria—people for whom special arrangements were put in place. Can he tell us now, or will he report in the future, about the lessons learned from the procedures put in place for Romania and Bulgaria and tell us whether they might inform immigration policy in future?

**Mr. Byrne:** The decision on whether restrictions on Romania and Bulgaria should remain in future is of course a matter for the Cabinet. That decision will come up in the next month or two in line with our commitment to review restrictions within 12 months of their introduction. I think the restrictions have been successful, but when a decision is made we will of course publish the evidence on which it has been made—evidence about the benefits of migration as well as evidence about the wider impacts—to the House and the public.

**Damian Green** (Ashford) (Con): I am not surprised that the Minister is confused, because he seems to spend so much time reading the details of our policy that he has not had time to develop his own. He knows that he is not convincing anyone with his policy, because his private Home Office research, which has fallen into my hands, tells him so. It says:

"Net satisfaction for the way that the Government is dealing with immigration is -54."

Can he confirm his response to the crisis? The first point that the Government make in response, in their private document, is that regional press officers are

"now in place in all regions".

Not immigration officers, not police officers, but press officers. Does the Minister recognise that such a response is precisely why the immigration system is in crisis and precisely why the Government's reputation is shot to pieces?

**Mr. Byrne:** That was a hopeless attack on the Government's immigration policy. It is not to the hon. Gentleman's credit to make such arguments. He should look at the introduction of the points system, advised independently for the first time, at the sweeping changes to our border security over the next 12 months and at the introduction of ID cards on a compulsory basis for foreign nationals. Those are the measures that will render our immigration system fit for the future. Those are the dimensions of our policy that he should be debating.

## Drug Trafficking

11. **Mr. Jim Cunningham** (Coventry, South) (Lab): What action the Government have taken to reduce levels of drug trafficking since 1997. [157287]

**The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker):** The Government have delivered a wide range of effective measures to reduce levels of drug trafficking since 1997. They include tough new legislation, an increase in convictions for those caught drug trafficking, investment in global anti-narcotics initiatives, the creation of the Serious Organised Crime Agency and a dramatic improvement in our performance on recovery of the proceeds of crime. The Government recently published a consultation paper, "Drugs: Our Community, Your Say", the responses to which will inform our new drugs strategy to be implemented from April 2008 onwards.

**Mr. Cunningham:** I thank my hon. Friend for that answer. Has he seen what the *Evening Standard* says today about a new form of cannabis called skunk? Does he have plans to reclassify that drug?

**Mr. Coaker:** I have seen the front page of the *Evening Standard*, which refers to the increasing strength of cannabis and the prevalence of skunk. As my hon. Friend knows, the Prime Minister and my right hon. Friend the Home Secretary have asked the Advisory Council on the Misuse of Drugs to look at the reclassification of cannabis and we await what it has to say.

**Mr. Anthony Steen** (Totnes) (Con): It is not just drug trafficking that should worry the House; it is human trafficking. Why do the Government not ratify the Council of Europe convention? If they did so, it would become effective legislation. Nine have already done so; one more, and it would become an effective instrument. Why have the Government not done so?

**Mr. Coaker:** When it comes to trafficking of any sort—drug trafficking or child trafficking, which is an issue of particular interest to the hon. Gentleman—he will know that we must have everything in place to ensure that the ratification of the Council of Europe convention means something. We have measures still to take with respect to law enforcement and victim support. All those services need to be put in place. When they are put in place—we are working towards doing that, as the hon. Gentleman will know—we will be in a position to ratify that Council of Europe convention.

**Ms Celia Barlow** (Hove) (Lab): Although I appreciate the concern of the hon. Member for Totnes (Mr. Steen) about people trafficking, to return to drug trafficking, may I say that the figures given by my hon. Friend the Minister are replicated by those from Brighton and Hove? Is he aware that, as a direct result of Operation Reduction—a combination of policing and drugs treatment—226 drug users have been referred for drug treatment within the past two years? Can he guarantee that that excellent programme's funding will be extended for a further year?

**Mr. Coaker:** I congratulate my hon. Friend on the work that she has done in Brighton, and all the people involved in the work that has gone on there. The 226 people whom she refers to in Brighton and Hove form part of the record increase in the number of people going into drug treatment. That is, of course, the result of record investment by the Government in tackling the harm that drugs cause. What has happened in my hon. Friend's constituency should be replicated across the country. A successful drugs strategy needs tough law enforcement and the education of our young people, and we need to ensure that we get more people into treatment, so that those people who have problems with drugs receive the help that they need.

**Mr. David Jones** (Clwyd, West) (Con): Does the Minister agree that, in combating drug trafficking, the police and the other agencies should rigorously enforce the existing legislation? Does he also agree with the Association of Chief Police Officers when it described calls by the chief constable of North Wales for the decriminalisation of all drugs as a counsel of despair?

**Mr. Coaker:** We agree with the ACPO statement, and we disagree with the chief constable of North Wales. I am grateful to the hon. Gentleman for his question, which gives me the opportunity to put that on the record. Of course, dealing with the problem of drugs in this country requires tough law enforcement nationally and internationally. He will be interested to hear that, only last week, I visited a new initiative undertaken by the Serious Organised Crime Agency, where a maritime analysis operations centre has been set up, working with other European countries and involving the military, to tackle ships that are bringing drugs, generally cocaine, across the Atlantic ocean, to interdict that movement of those drugs. So the hon. Gentleman is absolutely right: tough law enforcement must be a part of any successful drug strategy.

**Dr. Brian Iddon** (Bolton, South-East) (Lab): I welcome the reduction in the misuse of any drug, whether legal or illegal, but does my hon. Friend the Minister recognise that enforcement action can have unintended consequences, as evidenced by the shift from the smuggling of low-tetrahydrocannabinol-content cannabis from places such as Morocco to the large-scale farming in rented properties of high-THC-content cannabis all across Britain? I can report that, in the past three or four months, Bolton police alone have captured 20 houses where farming is conducted by Thai and Vietnamese criminal gangs.

**Mr. Coaker:** I accept my hon. Friend's point that, at times, when the law is enforced in one area, the crime is displaced to another, but the important issue is surely that we enforce the law. If, as he quite rightly points out, we have seen an increase in home-grown cannabis from so-called cannabis farms in domestic properties, the police need to enforce the law rigorously with respect to that. Indeed, they are doing so. The hon. Member for Totnes (Mr. Steen) will be interested in the important fact that, when the police have taken tough law enforcement action against cannabis farms, they have often in some circumstances found trafficked children, whom they have then referred on to the appropriate agencies.

### Police Numbers

12. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What assessment she has made of the likely effect of budgetary plans on future police officer numbers in the east midlands. [157288]

**The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty):** I met the police authority chairs and the chief constables from the east midlands most recently on 6 September, and I shall continue to listen to their views. My hon. Friend will know that no final decisions have been made on police funding settlement for the comprehensive spending review years. Full details of the provisional settlement will be announced in late November or early December.

**David Taylor:** The five police forces of the east midlands cover a rapidly expanding population of well over 4 million people with a police spend per capita of £157, or about 76 per cent. of the English average of £206 per capita. That makes it very difficult to deliver on policing priorities such as improving protective services. Will the Minister agree to meet representatives of the five authorities—Nottinghamshire, Derbyshire, Leicestershire, Lincolnshire and Northamptonshire—again to discuss the financial position and to plot out a way ahead for all concerned?

**Mr. McNulty:** I am happy to do that, and I shall return to that point shortly. It is an error to use a per capita figure for police spending, given the distinct nature of all forces, urban-rural splits and other factors. However, despite that erroneous use of data, I shall of course meet my hon. Friend and his colleagues. I have an extant request for a cross-party meeting from one of our colleagues in Nottingham and a Conservative colleague, but I am more than happy to meet as many east midlands MPs, of whatever hue, as it takes.

**Mr. Tim Boswell** (Daventry) (Con): Although the announcement that the Minister is prepared to meet MPs is welcome—I am sure that Conservative Members will wish to join in—does he accept that the five regional forces have worked hard to increase their capability and improve their interaction on protective services? Does he acknowledge that the last thing that my constituents in Daventry want is a reduction in the number of police officers, whether it is induced by a shortage of funding or by a conscious decision by the police authority?

**Mr. McNulty:** I am happy to accept the latter point. The hon. Gentleman will know that across the five forces officer numbers have increased—by the most in Leicestershire, where they have increased by 14-plus per cent. In addition, the numbers of support staff have increased by between 32 and 70 per cent., crime is down in each of the areas, and over the past 10 years Government grant has increased by between 10 and 22 per cent. I am happy to meet MPs from the area and representatives of the five forces to discuss these matters, but that is the context within which those discussions should take place.

## Drug Screening

13. **Mark Hunter** (Cheadle) (LD): What progress has been made in approving a roadside drug screening device for use by police. [157289]

**The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker):** The Forensic Science Service has been engaged in drawing up the detailed specification essential for such a device. The specification will be issued shortly; it will then be for manufacturers to prepare devices in line with that specification and to submit them to the type approval process.

**Mark Hunter:** Given the estimates that fully 18 per cent. of drivers killed in road accidents are under the influence of drugs or have traces of drugs in their system, will the Minister explain the inordinate delay in introducing roadside tests, given the fact that permission was given four years ago, in the Railways and Transport Safety Act 2003? Why are the Government dragging their heels so much on giving the police the assistance they need to deal effectively with the problem?

**Mr. Coaker:** The Government are not dragging their heels. The scientists are putting together a specification; when they have done so, it will be made available to manufacturers to enable them to produce a device allowing roadside screening for the presence of certain drugs. The hon. Gentleman will know, however, that the offence is not necessarily the presence of illegal drugs in someone's body, but the impairment that they cause, and the field impairment test is currently available to police officers to use at the roadside.

## Police Time

14. **Mrs. Joan Humble** (Blackpool, North and Fleetwood) (Lab): What proposals she has to maximise the amount of time that police officers spend on duty outside their stations. [157290]

**The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty):** My hon. Friend will know from replies to earlier questions that we are using a range of ways to ensure that police officers, including those in Blackpool, spend more time on duty outside their stations. They range from wider implementation of mobile data units to—crucially—the implementation of neighbourhood policing and the additional front-line support provided by police community support officers and other police staff.

**Mrs. Humble:** I thank the Minister for that reply. Will he take the opportunity to congratulate Lancashire police force on coming top in this year's performance assessment? One of the reasons why it came top is the introduction of modern technology; the new personal digital assistants and mobile data terminals allow them to link directly to the main computer to report crime, and give them access to information. That has freed them up for an extra hour every day in which they can be out on the beat.

**Mr. McNulty:** I certainly agree with my hon. Friend, except for on whether there are things called league tables when it comes to police performance. As a West Ham United fan, I do not recognise league tables of any description; I find that it helps to get me through the football year much more easily. She is right, and I saw much of what she describes when I was in Fleetwood. We had a nice cheese sandwich in the

Fleetwood Arms and discussed, among other things, how neighbourhood policing is developing in Lancashire, and the application of personal digital assistants and a range of other IT equipment. Those developments are taking place in police forces across the country, but it is to Lancashire's great credit that it has led the way in the application of such devices, and in the implementation and roll-out of neighbourhood policing.

### Inward Migration

15. **Mr. Rob Wilson** (Reading, East) (Con): What recent estimates she has made of projected levels of net migration into the UK. [157291]

**The Minister for Borders and Immigration (Mr. Liam Byrne):** The Home Office has never produced future projections of migration numbers. That is a matter for the Office for National Statistics.

**Mr. Wilson:** The Minister will be aware that net migration to the UK has included a rising number of foreign criminals. Despite repeated inquiries, I have been unable to obtain answers to the following questions: how many foreign nationals have been detained in UK prisons in the past five years, what was the nature of their offence, and what happened to each prisoner on release from prison? If the Government have nothing to hide, will the Minister today commit to answering those important questions?

**Mr. Byrne:** The hon. Gentleman will know that the police do not collect crime data by the nationality of the perpetrator, but that is yet another reason why the introduction of ID cards for foreign nationals, which his party supported during proceedings on the UK Borders Bill, is so important. So what a shame it was to see, in the small print of the announcement made by the right hon. Member for Haltemprice and Howden (David Davis) in conference week, that he will shut the system down.

## Clostridium Difficile

3.32 pm

**Mr. Andrew Lansley** (South Cambridgeshire) (Con) *(Urgent Question)*: To ask the Secretary of State for Health to make a statement about clostridium difficile.

**The Secretary of State for Health (Alan Johnson):** The Healthcare Commission's report on the outbreaks of clostridium difficile at Maidstone and Tunbridge Wells NHS Trust is a truly shocking document. On behalf of the Government and the national health service, I would like to apologise to all those who have been personally and directly affected, and to offer my condolences to the families of those who have died. Clostridium difficile is the major cause of serious bacterial infectious diarrhoea. It can colonise the gut, causing inflammation of the colon and in the worst cases it can prove fatal. It is normally controlled by the presence of other bacteria, but when those are killed—for example, by antibiotic treatment—it can grow and cause disease.

Tackling health care-associated infections is a priority in the NHS operating framework. In October 2006, the code of practice on the prevention and control of health care-associated infections became a statutory procedure. We have made it clear that tackling HCAIs should be a priority for all local NHS organisations, and the aim is to reduce the number of C. difficile infections by 30 per cent. by March 2011. Mandatory surveillance of C. difficile infections was extended to people aged two and over from April this year—previously it applied only to patients aged 65 and over—to help with local monitoring.

We have doubled the number of improvement teams that are helping trusts to reduce hospital-acquired infections. We have announced deep cleans within all trusts, and we have published new guidance on uniforms so that staff are bare below the elbow. That assists with hand washing, which is crucial in countering such infections. We are also creating a new regulator with stronger enforcement powers, who will be expected to inspect, investigate and intervene on health care-acquired infections.

In July, we made an additional £50 million available to reduce HCAIs. The MRSA cleaner hospitals action plan has been expanded to cover clostridium difficile. It has already had an impact on efforts to tackle MRSA, and it is expected to have a similar effect on C. difficile. While all those measures are crucial, the report from the Healthcare Commission on Maidstone and Tunbridge Wells NHS Trust shows that we need far more vigilance and determination in our drive to eradicate hospital-acquired infections. The NHS chief executive has written to every NHS trust today, appending the Healthcare Commission's report seeking reassurances from every NHS chief executive that infection control is regarded as a major priority in every NHS organisation.

We established the Healthcare Commission in 2003 to ensure continuous improvement in health services and to undertake specific investigations into trusts when allegations of serious failings are raised. Because Maidstone and Tunbridge Wells NHS Trust had consistently been among the 25 per cent. of trusts with the highest rates of C. difficile since mandatory surveillance began in January 2004, the strategic health authority proactively asked the commission to undertake that investigation in July 2006. The commission interviewed more than 200 past or present staff, and it also reviewed in detail the case notes for 50 people who contracted C. difficile on admission to the trust and then died.

The Healthcare Commission report reveals significant failings in efforts to stop the spread of C. difficile. If the 50 cases reviewed were representative of the 345 people who died, and if one extrapolated from the reviewer's assessments, C. difficile was probably or definitely the main cause of death in approximately 90 of the 345 cases, and definitely the cause in 21 cases. The Healthcare Commission found that the trust board was unaware of the high infection rates, and did not spend enough time considering issues relating to infection control. The commission's report made it clear that the individual appointed director of infection prevention and control did not have any real understanding of their role from the outset. Management of the infection control team was considered inadequate, and there was confusion about who actually managed the team. Overall, the governance system that was intended to bring clinical risk to the board's attention did not function effectively, and the board appeared to be insulated from the realities and problems occurring on the wards.

The Healthcare Commission makes recommendations for action by the trust, including reviewing its board leadership; the priority of infection control at board level; risk management; clinical guidelines; and staffing levels and training. Those actions will be performance-managed by the strategic health authority. Following the recommendation of the Healthcare Commission report, the South East Coast strategic health authority has commissioned an independent review of the leadership of the trust during the period of the outbreaks. An interim report will be made available to the strategic health authority by November.

Although employment is a matter for the local NHS trust board, I have instructed the trust in this exceptional case to withhold any severance payment from the former chief executive of Maidstone and Tunbridge Wells NHS Trust pending legal advice. I can tell the House that James Lee, the chair of the trust, has today offered the Department his resignation, which I have accepted. I have asked the chief executive of the NHS to ensure that a suitable replacement is found so that the trust can move quickly to act on the recommendations of the report and restore public and patient confidence in NHS services locally.

In addition to the independent review of leadership at the trust, I have asked the Department of Health to carry out a separate review of the role of the chair of the trust and the decision-making process that led to the terms and conditions of the chief executive's departure. That will conclude urgently, and it will be shared with the Appointments Commission.

I am particularly concerned by the Healthcare Commission's assessment that

> "The Trust delayed announcing the outbreak and then produced figures that almost certainly underestimated the number of deaths."

I have asked that our independent report on the trust's leadership at the time of the outbreak examine this specific point.

*[Alan Johnson]*

The report identified five national recommendations. It may be helpful to the House if I set these out, together with the actions being taken in response. First, the diagnosis of clostridium difficile needs to be regarded as a diagnosis in its own right, with proper continuity of management. National guidance has been available since 1994, and a revised version taking into account this recommendation will be published shortly. Secondly, the Healthcare Commission said that further consideration needs to be given to the education and supervision of trainee doctors, with a view to improving the recording of clostridium difficile on death certificates. The need for good reporting of health care-associated infections on death certificates has just been reinforced by a chief medical officer professional letter published on 4 October. Further measures will be considered in response to the report.

The third recommendation that has national ramifications was that antibiotics should be targeted, at the narrowest spectrum possible, and used for the shortest possible time. We recently published "A summary of best practice" on this issue, making that very point.

The Healthcare Commission recommended that the national health service and the Health Protection Agency should agree clear and consistent arrangements for the monitoring of rates of C. difficile infection. In April 2007, we improved the mandatory reporting of C. difficile by introducing a web-based reporting system and requiring data on two-year-olds and above to be reported. The final recommendation was that the board of every NHS trust must understand the roles and responsibilities of the director of infection prevention and control, and regularly receive information about incidents and trends. The report acknowledged that duty 2 of the hygiene code addresses this issue.

The situation uncovered by the Healthcare Commission at the three hospitals is truly scandalous. We must all shoulder our share of the blame, but I hope that the House will recognise that the awful failures in Maidstone and Tunbridge Wells are entirely unrepresentative of the standards of care that patients and the public rightly expect, and which are delivered in hospitals across the country day after day.

**Mr. Lansley:** I am grateful to the Secretary of State for responding to my urgent question. I am sorry that he did not consider it right to volunteer a statement, given the scandalous events to which he refers, and I am surprised that, in the course of responding, he made no mention at all of the report from the Healthcare Commission in July 2006 relating to the outbreaks of clostridium difficile at Stoke Mandeville, and the clear relationship between the findings at Stoke Mandeville then and the findings at Maidstone and Tunbridge Wells.

At the end of the executive summary in the report on the Maidstone and Tunbridge Wells Trust, there was a long discussion about how both trusts had let down patients in exactly the same way. The report went on to say:

"Governance arrangements were weak or overridden by other imperatives"

in both cases,

"including targets relating to finance and access."

The report continued:

"While it should be noted that improvements have subsequently been made at Stoke Mandeville, it seems unlikely that these similarities are coincidental. We are concerned that, if organisations are struggling, they should not compromise patient safety by making decisions and taking actions that put some patients at risk."

So when the Secretary of State says that the events at Maidstone and Tunbridge Wells are wholly exceptional, I hope that indeed they are, but they are not an isolated case. We have had other cases, and the common link between them is that managers in the national health service have been more focused on the Government's targets and the Government's imperatives than on patients' safety. I find it utterly astonishing that we should be here time and again, including in debates in Opposition time, most recently in January, pressing the Government to take the necessary action to deal with the incidence of infection.

The Secretary of State referred to the virulence of C. difficile, but he did not give us the figures. In 2001, 1,214 death certificates included a mention of clostridium difficile. By 2005, the figure was 3,807—comparable to that for deaths from road traffic accidents in this country. Between 2005 and 2006, there was a further 7 per cent. increase in the number of cases of C. difficile reported in national health service hospitals.

What was happening last year? Yesterday, we discovered from *The Sunday Telegraph* that last October the Government received internally from the head of the infection unit at the Department of Health a report saying that they should put in place a programme costing £270 million, including £200 million specifically for isolation facilities. What did the Government do last October in response to that report?

When we pressed Ministers about the impact of targets, as we have done repeatedly, did the Secretary of State and his predecessors not understand that, back in the middle of 2004, NHS staff in the clean your hands campaign were continuously being told to use alcohol rubs to reduce the incidence of MRSA? Staff should do that; however, as the Maidstone report makes clear, too many staff did not understand that at the same time they had to continue to use soap and water and a proper routine for hand washing to combat clostridium difficile. As we have seen MRSA figures peak and come down, we have also seen clostridium difficile figures rising dramatically, so that deaths from that are at least double those associated with MRSA.

Where are the other measures that could and should have been taken to tackle clostridium difficile? We know that there are cleaning technologies that will be increasingly effective, including dry hydrogen peroxide vapour cleaning systems. We know, for example, that nurses across the NHS have been looking for support in accessing Flexiseal, a faecal management system—but they are not getting it. We know why, as they report back to us, the Royal College of Nursing and others—it is due to cost concerns on the part of management.

Ministers constantly tell us that the health service is receiving unprecedented increases in resources; surely now is when resources should be devoted to infection control, isolation facilities and the relevant technologies. In his response to my question, the Secretary of State

has said nothing about the target announced last Wednesday—I say "announced" advisedly; it was issued by the Under-Secretary of State for Health, the hon. Member for Brentford and Isleworth (Ann Keen), to the BBC, but not to anybody else, in a press release. The chief executive's report to the NHS last week did not mention it at all. What is the target? Suddenly, the Government now say that the response to the problems is to have a new target to reduce clostridium difficile by 30 per cent. by 2011 on a 2008 baseline. We do not even know what the baseline is.

Frankly, we cannot carry on as we are. There is no tolerable level of clostridium difficile at 70 per cent. of the current level. If a hospital thought that, it would think entirely the wrong thing, and it is wrong for the Government to point hospitals in that direction. I have been in hospitals—good hospitals—whose attitude is one of zero tolerance. That is the attitude for which we have been arguing for four years, and what the chief medical officer mentioned in the "Winning Ways" report of December 2003. However, the Government are not promoting it.

Last Thursday, all those who were deeply shocked by what was reported at Maidstone and Tunbridge Wells NHS trust will have heard the Secretary of State blame the trust board and management and no one else. However, when did he receive the draft report? Why did he not act on it then? Why is he acting on it only now, when the public are shocked and outraged at what has happened and he has to recover his position? When he blamed the trust board, why did he not acknowledge that faults have continued at Stoke Mandeville hospital, at Maidstone and Tunbridge Wells NHS Trust and at other trusts? All that means that the Government's policy is also implicated. Those who were shocked by what happened at Maidstone and Tunbridge Wells will want to know that it will never happen again. The Secretary of State will be able to reassure them only if he changes the Government's policy and ensures that patient safety, instead of the Government's misplaced targets, becomes the imperative.

**Alan Johnson:** Let me point out that I laid a written statement this morning, although I accept that the hon. Gentleman wanted a verbal statement made in Parliament, and I am very happy to come here and do that. The report was published last Thursday and there has of course been publicity about it.

The essential point to tackle is the allegation that targets are somehow responsible for what happened at Maidstone and Tunbridge Wells. Having read the report and the recommendations to us as a Government, I think that it is completely irresponsible to suggest that hospitals cannot meet what are very important targets. We can have a debate about targets. I said during my very first appearance at this Dispatch Box that the era of top-down targets was over and we needed to move to a new level. However, I do not accept the idea that there is a choice whereby one can either have a target to reduce time waiting in accident and emergency to four hours or have people forced to wait in accident and emergency for 10 to 12 hours, as they did in the past, as the price to pay for safer hospitals.

The hon. Gentleman is quite right about Stoke Mandeville, where the local trust and management said that their problem was in dealing with targets. That is little more than a weak excuse. Hospitals all over the country are tackling targets day in, day out. They want to get waiting times down; they want an eight-minute target for a blue light to turn up; they do not want people to wait more than four hours in accident and emergency; and they want to ensure that the level of hospital-acquired infections is reduced. It should not be suggested that this was the problem at Maidstone and Tunbridge Wells, given the selected findings in the report highlighting the two biggest reasons for C. difficile growing. The first is hand washing. The report says:

> "Compliance with hand washing was ... variable among staff, particularly consultants."

The second biggest cause of C. difficile, as opposed to MRSA, is a certain complacency about antibiotics. The report says that in a sample of 50 patients reviewed by the Healthcare Commission, 42 per cent. had been given inappropriate antibiotics and in a significant minority of cases aspects of antibiotic treatment were poor. It goes on to list a whole series of the most appalling errors that took place at the hospital but do not happen at other hospitals around the country. That should not be put to one side as if there is an excuse for this hospital because it was also dealing with national targets. I do not accept the hon. Gentleman's point, although it is of course typical of the Opposition at the moment. *[Interruption.]* I am sorry, but it is. A report such as this, which points out appalling failures, is being turned into an argument about national targets.

I fully accept the specific points that the Healthcare Commission's recommendations directed to Government—they were all mentioned in my statement and they will all be acted on.

The hon. Gentleman rightly mentioned the hospitals that he has attended, as have I, where there is zero tolerance of hospital-acquired infections. It is an absolute priority everywhere; there is nobody in the NHS who does not understand that zero tolerance is the policy that should be adopted throughout the NHS.

The hon. Gentleman asked when I received the draft report. I received it on 9 October. He asked why I did not act on it then. I did. The position as regards the board, which I mentioned in my statement, is part of those actions. A residual power rests with the Secretary of State about the position of the trust board, but in exercising that I want to be absolutely sure, in relation to all its members—not just the chief executive or the chair—that the action that we take will not result in any action against the NHS, and we are absolutely sure of our ground. It is absolutely right to do that, given the seriousness of the situation.

**Mrs. Gwyneth Dunwoody** (Crewe and Nantwich) (Lab): The Secretary of State was right to take urgent action against the members who had responsibility for the trust, but will he explain where the clinical voices were that were not raised during the period in which the infection was allowed to take hold? Why is it that the general public have not heard an outcry concerning those who were directly responsible for infection control? Is he now prepared to instigate a ruthless programme to limit some of the actions of the general public inside hospitals to ensure that we return to a state where hospitals accept that they must restrict public access, or anything that will complicate the opportunities of patients to recover?

**Alan Johnson:** My hon. Friend is absolutely right to talk about the clinicians, such as the medical director and the nursing director. They are all part of the review that is going on about the leadership, and they are all subject to the action, which we are reviewing at the moment, that we take about that. It is not just a matter for the chief executive and the chair.

My hon. Friend was also absolutely right to ask where the patients' voice was in all of this. I understand that 26 members of the public—relatives of patients—complained early on. Why were those complaints suppressed? The very comprehensive Healthcare Commission report—a commission set up for this purpose—identifies a whole series of issues. Therefore, the publication of the report is the start of the process, not the end, and we have to get deeper into the matter to ensure that lessons are learned and that the same thing does not happen at any other hospital.

**Norman Lamb** (North Norfolk) (LD): I add my deepest sympathy to the families affected by this awful business. It is a traumatic and distressing infection to suffer from, and for anyone involved it is a horrifying process to go through. There are far too many people dying of this condition throughout the country.

It is right to stress the sense in which the individual hospital trust is primarily responsible for an outbreak of this sort, and the negligence that appears to have taken place. However, the report refers to occupancy rates in particular, and across the country hospitals are full to capacity, in breach of the national guideline of 85 per cent. Will the Secretary of State initiate a study that determines to what extent hospitals are over-full and considers the relationship between that situation and the outbreak of this infection?

With regard to the accountability of the chief executive and other senior staff, does the Secretary of State agree that failing to maintain the highest possible standards of infection control should amount to gross misconduct, and that it is entirely inappropriate for people to leave on substantial financial packages in the aftermath of such an event? He told the House, when he saw the report, that he could have intervened before the package was announced in order to discharge the whole of that board. Why did he not do so? Will he tell the House when he got to know of the financial package that had been put together? When exactly did that information come through to the Department?

Will there be compensation for the families who have suffered the tragic loss of a loved one as a result of apparent recklessness? The Secretary of State says that the chief executive is writing to all hospital trusts to give this matter priority, but will that override the myriad other priorities that are imposed centrally by the Government? Finally, it has taken more than a year for the Healthcare Commission to reach its conclusions, but the evidence that must have emerged during its study should surely have told it that urgent action needed to be taken. More than a year is far too long a wait for any decisive action to be taken by the trust, when the evidence must have appeared much earlier.

**Alan Johnson:** I will consider the occupancy rate throughout the country to see whether it is causing problems, but the top priority is always safety. One minute the NHS is being criticised for not being productive enough, and the next it is being criticised for being over-productive. Obviously, there must be a balance, but it must never compromise patient safety. [HON. MEMBERS: "It has."] Opposition Members say, "It has", as if what happened at Maidstone and Tunbridge Wells were typical of the rest of the country—it is not. And it is an indictment of, and an insult to, NHS staff throughout the country to suggest that it is.

The hon. Gentleman asked about gross misconduct. I believe that gross misconduct has taken place. He asked when I knew about the financial package. The answer is 11 October. When I knew about the situation and saw the report, I immediately sought advice about what I could legally do. It is easy to have a knee-jerk reaction, believing that there are residual powers, only to find that the NHS has been opened up to damages. The hon. Gentleman is a former employment rights lawyer and therefore knows that one has to ensure that one has the correct advice before taking action. I have ensured that that happens.

The hon. Gentleman mentioned writing to trusts. The NHS chief executive is not only writing to trusts but doing so with a copy of the report. The hon. Gentleman will have seen a copy, including the photographs. It is horror story, which needs to be brought to trusts' attention, not simply through a bland letter from the NHS chief executive saying that there was a problem, but by showing photographs and examining the chronological order. The hon. Gentleman asked an important question about why action was not taken earlier. I shall discuss that with the chair and the chief executive of the Healthcare Commission tomorrow.

**Mr. David Winnick** (Walsall, North) (Lab): Blaming targets is an unacceptable argument for incompetence and worse, and I am glad that my right hon. Friend has rejected it. Will he confirm whether the police are making investigations to ascertain whether appropriate charges can be brought against those in senior management at the time?

**Alan Johnson:** My hon. Friend will appreciate that that is a matter for the police. The Health and Safety Executive passed on the issue to Kent police, who are looking into it. I do not think that anything I can say would help the situation at the moment.

**Miss Ann Widdecombe** (Maidstone and The Weald) (Con): May I draw the Secretary of State's attention to the debate in the House on 23 January 2007? After listing a catalogue of neglect and disaster at Maidstone hospital, I said:

"One of my constituents telephoned his brother to say that he was in Maidstone hospital with C. difficile, sitting in his own diarrhoea, and that he wished he was dead."

I asked the then Secretary of State:

"Can anyone believe that when that is the standard of nursing, it has nothing to do with the spread of infection?"—[*Official Report*, 23 January 2007; Vol. 455, c.1321-2.]

That was 10 months ago.

May I draw the Secretary of State's attention to something that I identified at the time, but that has not been mentioned in his responses so far? It is the crucial

role of ward sister. Ward sister, unlike management, matron or the director of nursing, is there all day. She used to fulfil the role of boss: "Nurse, why is that drip empty?"; "Nurse, why is this man in his own diarrhoea?" If she still fulfilled that role— *[Interruption.]*

**Mr. Speaker:** Order. I hear the hon. Member for North Durham (Mr. Jones) saying from a sedentary position, "It is a speech." We are considering a serious matter, which is why I have allowed an urgent question. Let the right hon. Lady speak, because I understand that she has lost constituents.

**Miss Widdecombe:** I am very grateful, Mr. Speaker. I apologise for the length of the question, but we are considering my local trust and I am concerned about what is going on.

Does the Secretary of State accept that, if ward sister fulfilled her former role, many of the difficulties might have been avoided? Does he agree that there are three main reasons for her not fulfilling that role? First, short-staffing means that she is nursing when she should be bossing and supervising. Secondly, she has become too much a commissioner of bandages and blankets rather than active on the wards. Thirdly, she spends too much time filling in forms—whether that is related to targets or anything else is not the point; she spends too much time on officialdom. Does the right hon. Gentleman accept that I was right to say 10 months ago that if we get the role of ward sister right we will make a huge impact on the situation?

**Alan Johnson:** I do agree with that. If the role of the ward sister or matron is got right, we will go a long way towards tackling the problems. The right hon. Lady made important points, and I have no argument with the amount of time that she took to make them. She should be congratulated on raising the issue in January. Of course, as she will accept, the Healthcare Commission was in the midst of its investigation then.

I also agree with the right hon. Lady that the standard of nursing had everything to do with the problem, as the Royal College of Nursing and others have pointed out. We made an announcement a couple of weeks ago. I do not say this with the benefit of hindsight in relation to what happened at Tunbridge Wells and Maidstone. The right hon. Lady made the point that the matron and ward sister should have direct control not only over the cleaning arrangements and the contracts agreed for the hospital, but over the making of a report, at least quarterly, to the NHS trust board. The views of the ward sister and matron could not be filtered through various layers of management because the report, on these and other specific issues, would go directly to the trust board. That was the gist of our announcement.

I am afraid that I do not entirely agree with another point made by the right hon. Lady, because I think it detracts from her point about the standard of nursing at the particular hospital and her graphic account of patients being told, "Go in the bed." That is the term that was used. The right hon. Lady and others will surely accept that that is not the standard of nursing that we find in our hospitals across the country; it is absolutely exceptional.

The excuse cannot be given that the management of the trust did not receive the right support. The right hon. Lady spoke of a staff shortage, but there are now about 85,000 more nurses in our hospitals than there were 10 years ago, and 280,000 more care assistants and the like. As she will accept, there is no excuse for the dreadful things that happened in that hospital.

I accept that there are issues that we need to tackle in relation to ward sisters and matrons. We should give them more power and make them much more assertive, and remove any bureaucracy that they feel is a hindrance to their role. As I said in my statement, I am perfectly willing to shoulder that responsibility. My point is that nothing must detract from the failure that occurred in those three hospitals, and nothing must excuse the appalling standard of nursing that was in operation.

**Mr. Jim Devine** (Livingston) (Lab): I agree with my right hon. Friend that this is a scandal, and that we all have responsibilities. When I worked in the national health service a domestic came on duty at half-past 7 and worked until 2 o'clock, and another came on duty at 4 and worked until 8. As the right hon. Member for Maidstone and The Weald (Miss Widdecombe) said, that domestic was directly accountable to the sister or the charge nurse. Sadly, as a result of the compulsory competitive tendering introduced by the Conservative party, whether contracts were in-house or went to the private sector the number of cleaning hours fell substantially—by as much as two thirds in some cases. Surely it is time to bring those services back into the national health service, remove private contractors, and make such people directly accountable to ward sisters and charge nurses.

**Alan Johnson:** Unfortunately, I must take issue with my hon. Friend. There is no correlation between this problem and whether cleaning contracts were in-house or in the private sector. At Maidstone the contract was in-house.

The solution lies in what was said by the right hon. Member for Maidstone and The Weald (Miss Widdecombe). What is needed is the right degree of management on the front line which can be pushed through to senior management. That is why it is crucial for the matron to have a say in how the cleaning contract is organised. She might believe that in-house cleaning was insufficient and should be put out to tender, or it might be the other way around. It is not an ideological argument; it is a question of how the wards can be kept clean. It is about consultants and medics washing their hands, and about the prescription of antibiotics, which is crucial to the problem of clostridium difficile.

**Greg Clark** (Tunbridge Wells) (Con): The report makes clear that the physical condition of Kent and Sussex hospital has contributed to the problem of infection control. Ministers have announced that a new 100 per cent. single-bedded hospital is to open in Pembury, with financial close expected to take place in March next year. Will the Secretary of State assure my constituents that the costs of any extra investment in infection control, any compensation payments that may be made, and the change in leadership of the trust, will have no impact on that financial close?

*[Greg Clark]*

If there is one thing that my constituents would never forgive, it is a failure to learn the lessons of this episode, causing what has been a nightmare over the last three years to become a continuing nightmare for the next 30 years.

**Alan Johnson:** I can give the hon. Gentleman that assurance and I know that he and his colleagues are coming to see me soon to talk about this issue. Given the age of the hospital and the buildings involved, it is more imperative that we go ahead with those new hospital facilities than it was before this report. Nothing that happens here—no change in the management or fines levied on the trust—will in any way damage or inhibit the need for that new hospital to be built for his constituency.

**Mr. Michael Fallon** (Sevenoaks) (Con): The chairman has now resigned, but is the Secretary of State aware that the chief executive was allowed to leave by mutual consent, that the then director of nursing has been re-employed by the trust as a PFI adviser and that all the other non-executive directors remain in place? Why is no one at the top of these trusts ever dismissed?

**Alan Johnson:** As I said, a strategic health authority review of the leadership is taking place and I have asked for a separate review to be carried out urgently of what happened with the chief executive's package. That review will also take into account all the leaders, including the medical director and nursing director who were on the board, and the non-executives. The hon. Gentleman makes an important point. We decided—there was agreement on both sides of the House—that Whitehall should not be making appointments, and that that should be pushed down to local level, but if the Appointments Commission is responsible for appointments, somebody has to be responsible for the un-appointment, as it were. That is an important point; who takes the blame?

**Dr. Richard Taylor** (Wyre Forest) (Ind): I accept the Secretary of State's assertion that there are more nurses employed in the NHS. Has anybody looked to see whether there is a correlation between nurse-patient ratios in the hospitals that have more C. diff than others?

**Alan Johnson:** I do not know whether such an assessment has been made, but I undertake to ensure that one is made. The Healthcare Commission pointed out that there were fewer nurses employed at the hospital in question than at hospitals of a similar size, and that the level of training on hospital-acquired infections was very patchy. Between 40 and 50 per cent. of nurses received training, so between 50 and 60 per cent. of nurses did not, which just added to the catalogue of failures.

**Mr. Jamie Reed** (Copeland) (Lab): The Secretary of State will be well aware that the different nursing regimes that apply in different hospitals have the most important effect on the outcomes that we are discussing today. How can we spread the best practice that is exhibited in hospitals such as mine, the West Cumberland hospital, throughout the country?

**Alan Johnson:** My hon. Friend is right; the good practice that is going on day in, day out is essential, which is why we gave the code of practice a statutory basis by including it in the Health Act 2006. That cannot be ignored and should be driving the way hospitals work day in, day out. We also need to make safety the absolute priority in the operating framework, all of which means that what happened in those three hospitals should not have happened. We hope to ensure that it does not happen again. Best practice is one of the most crucial ways that we can ensure that this is tackled.

**Mr. David Lidington** (Aylesbury) (Con): May I remind the Secretary of State that it was as long ago as 19 July 2005 that the then Health Minister told me in a written answer that learning and best practice arising out of the Stoke Mandeville investigation

"will be shared across the national health service"?—[*Official Report*, 19 July 2005; Vol. 436, c. 1666W.]

What has gone so wrong with the delivery of that promise that we are having to debate yet another tragedy today?

**Alan Johnson:** I do not think that anything has gone wrong with the promise, in the sense that the vast majority of NHS trusts and hospitals are placing the correct emphasis on this matter and understand completely that washing hands, with soap and water in the case of C. diff, is absolutely crucial. The "bare below the elbow" policy was a piece of best practice that operated at the Royal Marsden for years, and which we have now made best practice and standard procedure across the country.

On Stoke Mandeville, I forgot to mention that the Healthcare Commission set out four reasons for the high rates of C. diff: poor environment, poor practice, lack of isolation facilities and insufficient priority given to infection control. Next week, we will have a Healthcare Commission report on Stoke Mandeville one year on, and it is important to see how the hospital has tackled clostridium difficile. That report will be of benefit to MPs in the Maidstone and Tunbridge Wells area, whose main concern is to ensure that such infection is turned around there as well. We need to keep track; we must have not only Healthcare Commission reports, but regular updates on how its recommendations are being implemented.

**John Hemming** (Birmingham, Yardley) (LD): In my constituency, there is a sheltered scheme for everyone who has returned from hospital in the past year who has been infected with some infection that they did not have when they went into hospital. The fact is that central management through targets is not the way to beat infection in hospitals; it needs to be managed locally on the wards. Bed occupancy of over 70 per cent. is a problem, as is managing the cleaners. Health staff travelling in medical uniforms on the buses is also a problem in respect of infection. There are many good cleaners, but bad cleaners are followed by infection. Will the Secretary of State give ward sisters the power to sack a bad cleaner?

**Alan Johnson:** I agree with all the hon. Gentleman's points about the key issues in respect of cleanliness, but I would add one more: public information. The public need to be aware of what goes on in hospitals.

I have mentioned the powers given to the ward sister. Within the realms of proper employment practices and the proper way to treat staff, we want the front-line staff—ward sisters and matrons—to have the power to determine how the wards are cleaned. That would include pointing out in their quarterly reports to the NHS board where there are failures, including among cleaners. However, merely a cursory reading of the Healthcare Commission report reveals that hand washing was patchy among not only cleaners but medics, including consultants, and nursing staff. The blame was spread among all participants, not only cleaners.

**Mr. Julian Brazier** (Canterbury) (Con): Eight years ago, the Government took the decision to put the cancer ward at the Kent and Canterbury hospital under the control of the Maidstone and Tunbridge Wells NHS Trust, even though a joint cancer centre had happily operated for years without such administrative nonsense, and patient outcomes were consistently better at Canterbury. In view of the considerable hospital trust changes that will take place, may I urge the Secretary of State to consider transferring responsibility for that cancer centre back to the East Kent Hospitals NHS Trust where it belongs, and where all staff at all levels would like it to be?

**Alan Johnson:** I accept that the hon. Gentleman is taking this opportunity to ask us to look again at that matter. The important point is for this to be driven locally—by the local clinicians and strategic health authority—to ensure that we reach the right decisions, rather than for me to hand down tablets of stone from Whitehall.

**Hugh Robertson** (Faversham and Mid-Kent) (Con): The accusation that targets played some part in all this was not dreamt up by the Opposition; it is clearly there in the Healthcare Commission report. Another factor it identifies is that management spent too much time dealing with hospital trust reconfiguration and too little on patient care. On behalf of all my constituents in the mid-Kent part of my constituency who use Maidstone hospital, I ask the Secretary of State to give an assurance today that there will be no further work on that reconfiguration and no services will be taken away from Maidstone hospital until this matter is brought under control and, preferably, the reconfiguration is abandoned altogether.

**Alan Johnson:** That is just a variation on the Opposition policy of a moratorium on reconfigurations. In respect of the reconfiguration of maternity services in Greater Manchester, all the clinicians and other health care professionals were telling me that they had been trying for 40 years to make the changes, which would save between 30 and 40 babies' lives per year, and that that had been rejected by politicians defending bricks and mortar. That is a general point about moratoriums.

On the hon. Gentleman's point about what is happening in Maidstone, my response is that I will not intervene. That is a matter for local physicians to decide, provided that it is clinically led—that clinicians are making the argument. If it is referred to me, I will refer it to the independent reconfiguration panel, which is clinician-led, so that there is a clinical argument for any change.

**Anne Main** (St. Albans) (Con): Is there any correlation between trusts mired in debt and those performing badly on C. diff rates? My own trust, the West Hertfordshire Hospitals NHS Trust, is No. 17 in the rankings—above the 21st-place ranking of the Maidstone and Tunbridge Well NHS Trust, in Kent. There, but for the grace of God, goes my own trust perhaps having deaths on its hands. Will the Government look into whether there is a correlation between such debts, the cuts that were made and the outbreaks of C. diff?

**Alan Johnson:** Look, there is no correlation here. The simple fact is that trusts must live within the extremely generous funding that they are getting from the centre. Trusts have to be in surplus, not in deficit—that is a simple fact of life. A similar point applies to reconfigurations. I reject the notion that those who are reconfiguring or those who are moving back from being in deficit to being in surplus cannot have patient safety. That is a ludicrous proposition. It does not cost a fortune to have patient safety. It is about washing hands and ensuring that people do not get complacent about prescribing antibiotics. It is about the simplest of procedures, which, as was mentioned in an earlier contribution, the ward sister and the matron would know everything about. This is not lots of money. I reject the argument that we should give up on saying to PCTs, "You should not be in deficit—you should spend your money on taxpayers' behalf wisely," in order to promote patient safety. It is possible to do both.

**Sir Nicholas Winterton** (Macclesfield) (Con): Having opposed the Salmon report those many decades ago, which changed the role of matron, may I say that my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) has knocked the nail on the head? Will the Secretary of State give a total commitment to this House that he will act immediately on the roles of matron and ward sister, so that they include dealing with cleaning and with the question of whether nurses can come to work in their uniforms rather than changing into them at the hospital, and so that matrons and ward sisters can take the decisions rather than the remote and generally rather inept board of a trust?

**Alan Johnson:** The hon. Gentleman's experience allows him to talk with authority about the Salmon report and the history of this issue. There is a sense of déjà vu regarding the importance of the figurehead of matron. We announced recently another 5,000 matrons. It is about not just the name and the title, but giving that person the authority to override junior managers and to report straight to the top about what is happening on the ward. That is why we made the recent announcements about extra matrons and about enhancing their role.

**Mr. Charles Walker** (Broxbourne) (Con): We must not be sidetracked in this debate by the question of whether cleaning is done in-house or out of house. This is a failure in leadership of monstrous proportions.

*[Mr. Charles Walker]*

This chief executive was either a monster or an incompetent—probably an incompetent. A number of chief executives in this country are not performing, and when they do not perform people die. I urge the Secretary of State to intervene where chief executives are failing, before more people needlessly die from preventable illnesses.

**Alan Johnson:** That is an important point that we need to look at. As the hon. Gentleman may remember, the document on the constitutional changes that the Prime Minister announced shortly after taking over had a clause on how we make such appointments. We should not take them back to the centre, but we need to ensure proper accountability throughout the system. In particular and as the hon. Gentleman suggests, we should be spotting these issues much earlier and getting rid of incompetent chief executives or chairpersons who, fortunately, are in the minority, rather than waiting for a report such as this, by which time, frankly, most of the damage has been done.

### Legal Services Bill *[Lords]* (Programme) (No. 2)

*Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programming of bills),*

That the Order of 4th June 2007 (Legal Services Bill *[Lords]* (Programme)) be varied as follows:

1. Paragraphs 4 and 5 of the Order shall be omitted.

2. Proceedings on Consideration shall be taken in the following order: new Clauses relating to Parts 1 to 4; amendments relating to Clauses 1 to 70; amendments relating to Schedules 1 to 9; new Clauses relating to Part 5; amendments relating to Clauses 71 to 111; amendments relating to Schedules 10 to 14; new Clauses relating to Part 6; amendments relating to Clauses 112 to 161; amendments relating to Schedule 15; remaining new Clauses; amendments relating to Clauses 162 to 214; new Schedules; amendments to Schedules 16 to 24; remaining proceedings on consideration.

3. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion at 9 p.m. at this day's sitting.

4. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at 10 p.m. at this day's sitting.—*[Alison Seabeck.]*

*Question agreed to.*

# Orders of the Day

## Legal Services Bill *[Lords]*

*As amended in the Public Bill Committee, considered.*

### New Clause 2

APPEAL AGAINST PUBLIC CENSURE

'(1) An approved regulator in respect of whom the Board decides to publish a statement under section 35 may appeal to the court on one or more of the appeal grounds.

(2) The appeal grounds are —

(a) that the decision was not within the power of the Board under section 35;

(b) that any of the requirements of section 36 have not been complied with in relation to the imposition of the penalty and the interests of the approved regulator have been substantially prejudiced by the non-compliance;

(c) that in all circumstances, the publication of a statement under section 35 is, or the terms of the statement published or to be published are (or would be), manifestly unreasonable or inappropriate;

(d) that the decision is unlawful on any ground that would give rise to a claim for judicial review.

(3) An appeal under subsection (1) must be made within the period of 42 days beginning with the day on which the notice was given to the approved regulator.

(4) Where an appeal is made before the expiry of the 7-day period the Board must not (unless the court otherwise orders) publish the statement until the appeal has been withdrawn or dismissed.

(5) On an appeal under subsection (1), where the court considers it appropriate to do so in all the circumstances of the case and is satisfied of one or more of the appeal grounds, the court may—

(a) quash the decision to publish a statement, or

(b) vary the terms of the statement (and, where the statement has been published, direct the Board to publish to the same extent the statement as varied).

(6) In this section "the court" means the High Court.'.—*[Mr. Bellingham.]*

*Brought up, and read the First time.*

4.24 pm

**Mr. Henry Bellingham** (North-West Norfolk) (Con): I beg to move, That the clause be read a Second time.

**Mr. Speaker:** With this it will be convenient to discuss the following:

Amendment No. 1, in clause 1, page 2, line 9 at end insert—

'(ca) that authorised persons should not act where there is a conflict between the interests of two or more of their clients, or between the authorised person and their client,'.

Amendment No. 2, in clause 3, page 2, line 27, leave out

', so far as is reasonably practicable,'.

Amendment No. 144, page 2, line 28, after 'objectives', insert—

'(aa) complies with the regulatory principles as set out in section 2 of the Legislative and Regulatory Reform Act 2006, and'.

Amendment No. 64, in clause 28, page 14, line 20, clause 28, leave out

', so far as is reasonably practicable,'.

Government amendment No. 83.

Amendment No. 10, in clause 36, page 18, line 32, at end add—

'(4A) As soon as practicable after deciding to publish a statement, the Board must give notice to the approved regulator stating that it has reached that decision and setting out the terms in which the statement is to be published; and the Board must not publish the statement until after the expiry of seven days beginning with the day on which notice is given under this subsection.'.

Amendment No. 11, in clause 39, page 20, line 21, at end insert—

'(e) that the imposition of the penalty on any ground would give rise to a claim for judicial review.'.

Amendment No. 12, page 20, line 45, leave out subsection (7).

Amendment No. 66, in clause 49, page 27, line 20, at end insert

'and that the Board should exercise its powers only where approved regulators are clearly failing'.

Government amendment No. 84.

**Mr. Bellingham:** First, I should like to declare my entry in the Register of Members' Interests as a qualified, but non-practising, barrister.

We are going to be pushed to get through this programme, because there are some 125 amendments and new clauses to get through. I worked out that if there are a few Divisions, we will devote about one and a half minutes to each amendment or new clause. That does not leave us much time, so we must make as much progress as possible, although that will not be easy, because the Government have come up with a lot of extremely complicated amendments.

The essence of new clause 2 relates to clause 35, which covers public censure and states that

"if the Board is satisfied—

(a) that an act or omission of an approved regulator...has had, or is likely to have, an adverse impact on one or more of the regulatory objectives, and

(b) that, in all the circumstances of the case, it is appropriate to act under this section.

(2) The Board may publish a statement censuring the approved regulator for the act or omission".

Any publication of a censure against an approved regulator could have wide-ranging and far-reaching consequences for it. Let us consider the example of the Bar Standards Board, which was set up fairly recently to act as an arms-length regulator within the Bar, has done a first-class job of dealing with complaints and has built up a good reputation in a short time. If that approved regulator were censured, its reputation could be demolished overnight. Surely it needs and deserves some form of appeal, and that is what new clause 2 proposes; it would give an appeal against the public censure.

Clause 37 and the part of the Bill that gives the legal services board the scope for imposing a financial penalty contain a clear mechanism for appeal. There is no logic in not having a proper right of appeal when it comes to public censure. It may well be that such censure is well deserved and correct, but given the damage that it can do, surely there should be some right of appeal. Our new clause would provide that, and I recommend it to the House. I hope that the Minister will tell us that she supports the principle of having this right of appeal.

Amendment No. 1 might state the obvious, but it was suggested by the Law Society. Our existing regulatory system has withstood the passage of time over a substantial period, and I should point out one of its great strengths. It engenders a strong ethos of professionalism, which is respected by the vast majority of lawyers. Clause 1(1) does not mention avoiding a conflict of interest, and that is an odd omission.

4.30 pm

**Mr. Kevan Jones** (North Durham) (Lab): If the hon. Gentleman thinks that the regulation of solicitors and the legal profession has been without problems, I would ask where he has been for the past few years. Many of my constituents, who have been ripped off by solicitors, have been failed by the Law Society.

**Mr. Bellingham:** In some ways I agree with the hon. Gentleman and I know that he feels that some of his constituents have been let down very badly. Amendment No. 1 is all about removing the conflict of interest, so I would have thought that he would support it.

The charter of core principles for the European legal profession, which has been adopted by the Council of Bars and Law Societies of Europe—an umbrella organisation for all European legal professional bodies—specifically includes avoidance of conflicts of interest. My hon. Friend the Member for Huntingdon (Mr. Djanogly) will speak in a moment about the need for concurrence between the Lord Chancellor and the Lord Chief Justice, and that is related to the need to maintain the independence of the professions, and amendment No. 1 would send a clear statement that the Bill prohibits any conflict of interests.

Various conflicts of interest will arise from time to time, and I note that the Law Society has introduced a tight and tough code to deal with them. It does happen that one part of a large City firm acts for one organisation while another part acts for another. That can happen in shipping cases or in complex commercial law areas. The firm will probably have Chinese walls or barriers between the two different departments, and so the conflict of interest is avoided. However, the amendment simply states something that we feel should be obvious: the need to avoid conflicts of interest should be written into the Bill.

In Committee, the Minister said that she would look carefully at the amendment and come back to us on Report. I am sure that she has looked at it carefully, as she has been assiduous and approachable, and we welcome that. This has been a classic example of how Bills should be considered, with the Front Benchers all getting on well together, meeting regularly and trying to make progress. That is why there are so few areas of disagreement in the Bill. I wonder whether the Minister has been able to look at the amendment carefully.

Amendments Nos. 2 and 64 would delete the words

"so far as is reasonably practicable".

*[Mr. Bellingham]*

Those words appear in clause 3(2)(a) and (b) and clause 28(2)(a) and (b). We had a debate on the point in Committee, because those words qualify the essence of clause 1(1), which sets out the regulatory objectives. Why qualify them in that way? Clause 1(1) states clearly what the objectives should be and we do not see why an escape provision should be built into the Bill. It is like saying, "Here are the objectives that we want you to follow, but if you can't because it is not practicable to do so, it doesn't really matter." We should not say that.

In Committee, the Minister again said that she was quite sympathetic to our line of argument and that she felt I had argued the case well. I shall not make such a lengthy argument this afternoon as we are under time constraints, but the Minister said that she might make a sympathetic response to the amendment on Report. I hope that she will be able to do so now, or that our proposal can be looked at when the Bill goes back to the other place. We are keen to avoid unnecessary bureaucracy and we support Sir David Clementi's flexible and risk-based approach, but we feel that an amendment striking out the words we suggest makes a great deal of sense.

Our amendment No. 10 beefs up clause 36 and provides extra protection to an approved regulator who has been censured. It continues the theme discussed in new clause 2. The amendment makes it clear that the board should give notice to the approved regulator that it has reached a decision and should set out how the statement will be published. Obviously, the approved regulator needs time to consider its response. As I said earlier, reputations take a long time to build up but they can be destroyed overnight. The Minister said in Committee that she would look sympathetically at our proposals and that she might table an amendment on Report. There are Government amendments in the group, so perhaps she will comment on them in more detail and answer some of my questions.

Amendment No. 11 allows for judicial review and amendment No. 12 is consequential. There was a lengthy and learned debate in the other place about judicial review and I do not want to wear the House down with detailed, highly arcane arguments about it, but we believe that there is a clear and unequivocal case for having the right to judicial review written into the Bill. I know the Minister thinks that that is not strictly necessary, but if she thinks there is already sufficient protection for parties who could be fined and censured and lose their career and reputation, she should make it clear that there is no need for judicial review.

I have to tell the Minister that many learned Lords take a contrary view. Many of them have practised law and sat on the bench—many are retired Law Lords—so there is a huge body of expertise that feels strongly that the Bill should include provisions for judicial review. Will the Minister comment on that point in detail?

Amendment No. 66 refers to clause 49 and inserts the words

"and the Board should exercise its powers only where approved regulators are clearly failing".

The whole intention is to curtail bureaucracy and the scope for unnecessary intervention.

In Committee, we agreed that we would not say "light touch", as it is a hackneyed expression that has had its day. I want to concentrate on the need for common sense and a delicate, pragmatic and sensitive approach. Of course, we need a Bill that gives the board the power to take necessary decisions, but the approved regulators must be allowed to get on with the job in hand. There must be scope for them to carry out many of the delegated functions. Amendment No. 66 would simply reinforce that point, and when Sir David Clementi produced his excellent report, he certainly anticipated such a delicate, sensitive approach.

Again, the Minister said in Committee that she was sympathetic to amendment No. 66 and that she would return to the issue on Report. So she said that she accepted what we had to say on four amendments and one new clause. She said that she was sympathetic to many of the arguments put forward. I hope that she has listened carefully to what I have said this afternoon and that she can give Opposition Members some comfort in accepting what we say, given that our views are widely endorsed by the professions. Indeed, I hope that, if she cannot accept our amendments and make the changes now, she will at least tell us why she cannot, and perhaps tell us that some further changes may be introduced in other place, although two of the points that I have made might be covered by the Government amendments in this group.

**John Mann** (Bassetlaw) (Lab): The hon. Member for North-West Norfolk (Mr. Bellingham) is as eloquent and courteous as ever, but he manages yet again to fall into the trap of vested self-interest, despite very honourably declaring his self-interest. We return to a fundamental point that has run throughout the debates on the Bill and well before them: why should the legal profession be allowed special status in society, whereby it can look after itself, by regulating itself and appealing to itself in this case? In which other section of society would we allow that? Would we allow it with the police?

Probably, the only other section of society that tries to befit itself to such self-regulation is politicians, often much to the disgust of the general public. But there is no basis whatsoever for moving to a system whereby the legal profession can appeal to the legal profession. That is precisely what we are talking about. Barristers, whether practising, non-practising, or in the other House or the High Court, or wherever they end up, need to understand that that internalised attempt to set themselves apart from the principles that we expect of the rest of society simply is not acceptable. The reason why it is not acceptable is that it does not work, and the reason why it does not work—doubtless there may be an opportunity for hon. Members to explore this on Third Reading—is the way in which the legal profession uses its privileged position of being able to use the law and take action in an attempt to silence any criticism.

**Robert Neill** (Bromley and Chislehurst) (Con): I am interested in what the hon. Gentleman is saying, and we have run over some of it in the past. I will declare my interest as a non-practising member of the Bar and as someone who is very proud of it, because it is a decent and honest profession. Is not the implication of what he is saying that we cannot trust lawyers to appeal by judicial review because we cannot trust the judges?

That is what he is almost saying in effect. Does he honestly think that the justices of Her Majesty's High Court will behave differently if an applicant for judicial review or another form of appeal happens to be a lawyer as opposed to anything else? If he does, I suggest that that is a scandalous thing to say.

**John Mann:** It might be scandalous thing to say, but the police have an honourable profession and we do not allow them to sit in judgment on themselves. Doctors and others involved in medicine have an honourable profession, but we do not allow them to sit in judgment on such key decisions. Indeed, we listened earlier today to comments about the roles of trusts and Secretaries of State in the governance of the health service. There are many honourable professions, but there are only two professions that attempt to set themselves above all others. One such group is Members of Parliament, who deem that we are in some way above all others. Some, such as Plaid Cymru Members, would like to put us in the position whereby we are judged by the judiciary rather than through the self-regulatory systems that we have in place. That is an interesting idea, but none of them are in their seats to participate in this debate.

The principle that certain professions should be allowed to sit in judgment on themselves is not one that we would accept in many great and honourable professions in this country. To allow the self-regulators to appeal to their peers in the High Court is total nonsense if we are to have a robust system of regulation that is seen by the rest of the world to be above board.

4.45 pm

**Mr. David Heath** (Somerton and Frome) (LD): First, I declare a non-interest: I am not a lawyer or in any way a member of the legal profession. I therefore think that I can safely say that I speak without the vested interest to which the hon. Member for Bassetlaw (John Mann) referred.

I echo a remark made by the hon. Member for North-West Norfolk (Mr. Bellingham): having come to the Bill very late, as a result of a change in responsibilities, I am encouraged by the degree of constructive engagement that I have observed in Members on both sides of the House. He did not include the hon. Members for Bassetlaw and for North Durham (Mr. Jones) in his plaudits in that respect, but I am happy to do so, having read the report of the Committee proceedings, which were characterised by a willingness to engage with the issues and to try to arrive at a sensible consensus. I applaud all those who have attempted to do so.

To start with judicial review, I do not entirely buy the point made by the hon. Member for Bassetlaw. Although I am absolutely clear that the regulatory structure for the legal profession must be seen to be independent and robust, only the judiciary can decide whether there has been an error in law. There is no other mechanism to determine an error in law in regulation. Whether or not that undermines the regulatory process in the hon. Gentleman's eyes, the fact remains that only the judiciary acting in an independent fashion, which is now guaranteed by statute, can make that judgment.

**Mr. Kevan Jones:** I agree with the hon. Gentleman about judicial review on a point of law, but that is not what the new clause is saying. Essentially, it provides that if the regulatory body does not agree with criticism levelled at it, it can appeal to a higher body. That is very different from the point that he is outlining.

**Mr. Heath:** With all due respect, I am not sure that that is the case. A judicial review can take place only on the basis of a body having misdirected itself—that would be the basis in administrative law. In any case, the Minister can probably deal with the matter by stating what she believes the position to be on the admissibility or otherwise of an application for judicial review of a decision. It certainly should not be seen as a court of appeal on a decision of the regulator. That would be entirely inappropriate—on that, I agree with the hon. Members for Bassetlaw and for North Durham.

On leaving out

"so far as is reasonably practicable",

I entirely agree with the hon. Member for North-West Norfolk. It seems to be an entirely unnecessary qualification. If we have good principles of regulation, which the Government have stressed in relation to the regulatory objectives, it is entirely perverse to qualify that by saying that the objectives do not have to be met if circumstances do not allow. The regulatory objectives must be consistent and paramount. I believe that the words should be removed, which is why I have put my name to amendment No. 2. Far from reducing the effectiveness of this part of the Bill, I believe that the amendment would strengthen it.

On conflict of interest, I shall be interested to hear what the Minister has to say on whether the provisions represent a significant change from her understanding of the position. I am not prepared to countenance a conflict of interest arising, but if she is confident that the Bill's structure and wording is sufficient to deal with the issue, without us adding an explicit statement on conflict of interest, I shall be satisfied. I find it hard to believe that that is the case, however, so I have sympathy with what the hon. Member for North-West Norfolk has to say.

My last point is on proportionality. The hon. Member for North-West Norfolk tabled new clause 2, but I have taken a slightly different approach to the issue in my amendment No. 144. I mention it briefly in the forlorn hope of ensuring a degree of joined-up government as regards statute, and in the hope that one statute that we pass might have some relevance to another. Some hon. Members will recall the Legislative and Regulatory Reform Act 2006, which had a chequered parliamentary career. Many of its provisions were hard-fought-for. It ended up being absolutely filleted in another place, and replaced with something a good deal better. Section 2 of that Act explicitly spelled out the regulatory principles—not the regulatory objectives, which are set out in the Bill before us—that were expected to apply to any regulatory body. It states:

"Those principles are that—

(a) regulatory activities should be carried out in a way which is transparent, accountable, proportionate and consistent;

(b) regulatory activities should be targeted only at cases in which action is needed."

*[Mr. Heath]*

Those two regulatory principles, which the Government have accepted, and which they wrote in to the 2006 Act, are exactly what is required to qualify the regulatory objectives in the Bill so as to ensure proportionality and transparency, and to ensure that action is taken only when it is needed. The Minister should consider amendment No. 144, or perhaps a variation of it in which the cross-reference to the 2006 Act is removed, and those same regulatory principles inserted instead. That would underline what I believe to be the Government's objective—to have a consistent principle underlying regulatory activities that applies as much to lawyers as to other professions, and to all other regulatory activities. Members' objective should be to ensure a consistency of legislation that crosses those professional and interest boundaries. That is exactly the point made by the hon. Member for Bassetlaw, who argues that lawyers should not be a special case. I agree; in both positive and negative terms, the same principles should apply to regulatory activities across the board.

**Mr. Kevan Jones**: First, may I welcome the hon. Member for Somerton and Frome (Mr. Heath) to his responsibilities? I think that we breathed a collective sigh of relief on seeing that the hon. Member for North Southwark and Bermondsey (Simon Hughes) is not here tonight, and that we might get the entire Bill dealt with this evening.

The Minister has made it clear, as have my hon. Friend the Member for Bassetlaw (John Mann) and I, that putting the consumer at the heart of the Bill is key. Hon. Members might not be surprised to hear that I agree with my hon. Friend when he says that we are talking about an attempt to treat the legal profession differently from any other bodies. The measures that we put in place under the Bill should not amount to less than those that were in place in the old system, in which there was a legal services ombudsman who had tough powers of regulation and who could impose fines. Under that system, there was no right of appeal. The legal services ombudsman conducted a tough investigation on miners' compensation, and I believe that lawyers would certainly have appealed the report. It was not the fact that it was inaccurate—it was the fact that it was tough and critical of the way in which the legal profession preyed on many of my constituents and other people in receipt of miners' compensation.

I must disagree with the hon. Member for Somerton and Frome about the grounds for appeal. New clause 2 says that one such reason is the fact that publication would be "manifestly unreasonable or inappropriate". When the legal services ombudsman produced her report, many lawyers could have argued that its contents were unreasonable or inappropriate. That would be the case for someone on the receiving end of a hard, tough report.

**Mr. Heath:** In a judicial review, an administrative court would look only at the way in which decisions on the report were arrived at and whether they were reasonable—not at the end result and the conclusions reached in the report.

**Mr. Jones:** I agree, but that is not what the new clause says. If a legal point is at stake, one can always have recourse to a review. Proposed section (2)(c), however, states that the provision would apply if

"the publication of a statement under section 35 is, or the terms of the statement published or to be published are (or would be), manifestly unreasonable or inappropriate."

Who is to decide what, in those circumstances, is unreasonable or inappropriate? The consumer would argue, quite rightly, that the legal services ombudsman's report was far from unreasonable and inappropriate. From their point of view, it was spot on and she was right to stand up for their rights. The breadth of the provision provides the legal profession with a get-out clause, enabling it to escape reasonable criticism. I am reluctant for the ombudsman's powers under the Bill to be any less than what they were before, so I hope that the Government resist the attempt, which was made numerous times in Committee, to safeguard the vested interests of the legal profession and enable it to protect its own.

**Robert Neill**: I shall be brief, and shall begin with the point with which the hon. Member for North Durham (Mr. Jones) concluded—the obsession with vested interests among certain Government Members. No one, including all the lawyers I know, wants anything other than effective, robust and strong regulation, which is in the profession's interests just as much as the consumer's. It is genuinely sad that some hon. Members cannot get that into their head, although I think that the Minister accepts it. It is sad that our debates are often coloured, dare I say, by an obsession among certain Government Members.

**John Mann:** As one of those accused of being an obsessive, may I ask the hon. Gentleman what proportion of solicitors dealing with the enormous £3 billion-plus miners' compensation scheme have been found guilty of double-charging their clients, whether directly or indirectly? What percentage of the money that they have been paid by the Government have they taken? To give him an opportunity to think, is it under 10 per cent., 50 per cent. or 90 per cent.?

**Robert Neill:** I hope that the hon. Gentleman has the grace to congratulate the Solicitors Regulation Authority on initiating proceedings and recovering considerable amounts of money. To suggest that nothing has been done is unfair. The arrangements are not perfect, I concede and accept—we all want to improve things—but I am sorry that we have to go through this rigmarole.

**John Mann** *rose—*

**Robert Neill:** I should like to make progress, and I hope to conclude shortly.

The Law Society's president made it quite clear that the society supports the Bill's basic principles. All the key issues, including the separation of regulation from the representational role, have been accepted by the Bar Council. It is sensible to operate a system in which the regulator works in partnership with the profession. Nobody takes issue with that. I think the Minister has understood that, which is why I echo the comments of

my hon. Friends and the hon. Member for Somerton and Frome (Mr. Heath), who say that we hope she will be able to flesh out to us how that can be dealt with constructively.

5 pm

The second point that I wanted to make relates to judicial review. With all due respect, nobody should be above the law. The system of judicial review ensures that. That applies to a body such as the legal services board as much as to anyone else. It is only common sense that judicial review should remain. The reference in the amendment to a statement being "manifestly unreasonable" is very close to the well-known Wednesbury test of reasonableness. Many of us think it is not unreasonable to give an opportunity of redress, should there ever be—maybe there never will be—a manifestly perverse decision on the part of any regulatory body.

I hope that that will be borne in mind, just as I hope that when Labour Members question the willingness of the legal profession to tackle issues for itself, they will bear in mind the report from the Bar Standards Board for this year, which was published after our Committee discussions. The board pointed out that not only had there been a significant increase in the number of cases referred to disciplinary tribunals, which have a greater independent element than the summary procedure, but interestingly, although the numbers always remain very small, the proportionate increase in the number of cases where complaints were upheld by the Bar Standards Board, acting independently on behalf of the profession, increased to over 82 per cent. That is better than any prosecuting authority usually achieves. Before people criticise the professions for not being prepared to set their own house in order, they ought to bear that in mind. That indicates that what is sensible is a light touch rather than a heavy-handed one, and an approach that does not seek to second-guess the outcome.

I hope the Minister can deal with my final point. The hon. Member for Somerton and Frome made sensible points about the risk of conflict of interests. Given that we will later consider alternative business structures, as my hon. Friend the Member for North-West Norfolk (Mr. Bellingham) said, we are likely to see more and more instances where there may properly be mixtures of competences in firms, and various Chinese walls. I do not have a problem with a greater number of alternative business structures, but that makes it all the more necessary that the conflict of interest point should be dealt with and spelled out as clearly as possible in the Bill.

**The Parliamentary Under-Secretary of State for Justice (Bridget Prentice):** I am pleased to hear the opening remarks from across the House about how we have reached this stage in the Bill as a result of a great deal of healthy discussion and consensus. I said in Committee that before Report I would consider a number of the issues that have been raised again this evening. As I said then with reference to new clause 2, I do not object in principle to the fact that approved regulators should be able to challenge the decisions of the board. It is of huge importance to the accountability of the board that the approved regulators have recourse to some form of challenge when they feel that the board is being unreasonable. However, I thought that we had established in Committee that the ground for challenge that that creates—that of judicial review—is available automatically under the Bill as it was then. I do not see that new clause 2 adds anything.

On amendment No. 1, there is a real possibility that that would run counter to the best interests of clients and might even cast doubt on the validity of many of the existing rules. Given the role of those broad professional principles, singling out conflict of interest but not being able to define it clearly might risk jeopardising the flexibility of regulators in this area.

Clause 176 already places all authorised persons under a statutory duty to comply with professional rules, which will of course include rules on conflicts of interest, which are clearly stated in the professional bodies' rules. All those rules will, of course, also be subject to approval by the board; in a sense, there is already a double lock to ensure that rules on conflict of interest are complied with. I am pretty confident that those existing rules provide adequate cover and that the extra provision is not necessary; in fact, it has the potential to be undesirable.

On amendments Nos. 2 and 64, since our discussion of the issue in Committee, I have considered carefully whether

"so far as is reasonably practicable"

should be removed from the duties under clauses 3 and 28. I understand the reasons that the hon. Member for North-West Norfolk (Mr. Bellingham) set out in favour of removal, but I am still not convinced that taking away the phrase is the best way to ensure that the consumer is, as has been mentioned, at the heart of the system. The amendments are neither appropriate nor practical, as under the new framework all regulators will need flexibility to weigh up how each of the objectives will operate in any given situation. The regulators will have to be able to take into account practical considerations—including, for example, the resources available to them. Such issues are key to the principles of proportionate and targeted regulation; I hope that Members on both sides agree that such regulation must be central to the success of the new regime. Retaining

"so far as is reasonably practicable"

makes it clear that regulatory decisions are made with reference to practical constraints, such as the expenditure incurred in meeting the objectives.

The hon. Member for Somerton and Frome (Mr. Heath), who will be pleased that, for once, I have managed to get his constituency right—

**Mr. Heath:** It is pronounced "Froom".

**Bridget Prentice:** I shall keep practising; if I work hard enough, I might even end up with a west country accent.

I understand the sentiment behind the hon. Gentleman's amendment No. 144. It is important that the board should have regard to the principle of best regulatory practice in all that it does; I cannot see why anyone would resile from that. That is why we have clearly set out in clause 3(3) that the board, as the hon. Gentleman rightly pointed out,

*[Bridget Prentice]*

"must have regard to...the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed, and any other principle appearing to it to represent the best regulatory practice."

However, as the hon. Gentleman also pointed out, those same principles are already set out in section 2 of the Legislative and Regulatory Reform Act 2006, so I consider it unnecessary to duplicate the provision in the Bill.

I turn to amendment No. 83, a minor amendment to ensure that the board is not prevented from exercising its functions for the purpose of ensuring that the exercise of an approved regulator's regulatory functions is not prejudiced by its representative functions or that the decision relating to the exercise of an approved regulator's regulatory functions is taken independently from the representative ones. I do not know whether anyone can understand that gobbledegook; I hope that *Hansard* will be able to translate it into normal English. In the past, both things had to apply; amendment No. 83 would effect a minor change so that the board would not be prevented from exercising its functions in that way.

Amendments Nos. 10, 11 and 12 ask for the seven-day requirement. The Bill already provides for a 28-day period before which the board can take action, and I do not believe that an additional seven days would achieve anything. It is also important that the board and approved regulators should remain in close contact throughout the period; the board, of course, is under a duty to be transparent. The approved regulator will be able to challenge the board, but obviously the board must be able to act swiftly and appropriately. When considering amendments Nos. 11 and 12, it is important that we remember that an appeal is available.

Amendment No. 11 would simply duplicate the appeals process, which could ultimately waste valuable time and resources to arrive at what would inevitably be the same conclusion. The current provisions do not prevent the case from proceeding to the Court of Appeal, in the event that that is appropriate.

Amendment No. 12 would remove an important provision and could produce the unwelcome effect of allowing for the possibility of two separate challenges being brought by the same applicant against the same decision on essentially the same grounds.

On amendment No. 66, it is clearly right that the board should act only where an approved regulator is "clearly failing". However, that is a very imprecise term that does not translate well into legislation. There is the potential for creating confusion and contradicting the thresholds that already apply to the exercise of the board's regulatory powers. Instead, I believe that the combination of the existing thresholds, the clause 3 duties and the amended clause 49 provisions should ensure that the board exercises its powers only where it is right to do so. I continue to believe that the Bill as currently drafted properly addresses all the concerns that hon. Members have raised.

Government amendment No. 84 will put it beyond doubt, in the Bill, that the legal services board may, if acting as an approved regulator and if set out in an order modifying the board's functions, provide the people whom it regulates with an appeal to the High Court against any decision that it makes. The effect of the amendment is that those bodies whose functions are modified under section 69 or paragraph 2 of schedule 22 can also receive a similar power.

For those reasons, I ask the hon. Gentleman to withdraw his amendments and ask the House to approve amendments Nos. 83 and 84.

**Mr. Bellingham:** I am grateful to the Minister for her explanation of Government amendments Nos. 83 and 84. She has made a strong case. Having listened to what she said, I can tell her that we support the Government on both those amendments.

I am also grateful to the Minister for explaining and clarifying some of the points that I made in proposing new clause 2 and the other amendments in my name and those of my hon. Friends. She made it clear that there is already sufficient protection for approved regulators who are censured or heavily fined.

I am glad that we had a debate on the very important matter of judicial review. That is a fairly specialised and arcane procedure but, on the other hand, it is a very important ultimate protection for people who feel that they have a grievance that needs to be righted in the courts. I am grateful to the Minister for clearly spelling out exactly what its scope is and how far it can go. That will be considered carefully in another place.

On conflicts of interest, I am glad that the Minister confirmed that there is a double lock. She is clearly confident that the existing rules remove any need for amendment No. 1. People who are taking a close interest in the Bill will look at the debate underlying some of the clauses. In my experience as a lawyer, there are occasions when people look carefully at the intent of Parliament in terms of how matters are handled in future, and I think that that will apply to what the Minister has said.

We had a debate in Committee, and there was a debate in the other place, on the wording,

"so far as is reasonably practicable".

We have given that sufficient attention again this afternoon. I am glad that the Minister has had the opportunity to put her view on the record. She is keen to ensure maximum flexibility and to honour the principles behind Clementi. On that basis, I can understand exactly where she is coming from. I should tell her, however, that this particular issue will probably be returned to in another place. I hope that the Government have not given up completely on what we have said. It is the view of both main Opposition parties that there is a problem which, although minor, could and should be corrected.

I take on board the Minister's point that she feels that amendment No. 66 would not translate very well into legislation. I accept that, and perhaps in another place a new attempt could be made to improve the drafting. For the time being, I am grateful to the Minister for her reply, and on that basis I beg to ask leave to withdraw the motion.

*Motion and clause, by leave, withdrawn.*

**Clause 8**

THE CONSUMER PANEL

**Bridget Prentice:** I beg to move amendment No. 78, in page 3, line 33, leave out subsection (2) and insert—

'( ) The Consumer Panel is to consist of such consumers, or persons representing the interests of consumers, as the Board may appoint with the approval of the Lord Chancellor.'.

**Mr. Deputy Speaker (Sir Michael Lord):** With this it will be convenient to discuss the following:

Amendment No. 6, in page 3, line 36, at end insert—

'( ) The approval of the Lord Chancellor is required for the appointment of a person to be the chairman or to be another member of the Panel.'.

Amendment No. 7, in page 4, line 25, after 'appointed', insert

'by the Board following public advertisement and selection by the prevailing standards for selection of members of public bodies and'.

Government amendments Nos. 79 and 80.

Amendment No. 8, in page 5, line 19, clause 11, at end insert—

'(4) It shall be the duty of the Board (subject to subsection (5))—

(a) to provide the Consumer Panel with all such information as, having regard, in particular, to the need to preserve commercial confidentiality, the Board considers appropriate to disclose to the Panel for the purpose of enabling the Panel to carry out their functions; and

(b) to provide the Panel with all such further information as the Panel may require.

(5) The Board is not required to provide information by virtue of subsection (4)(b) if, having regard to—

(a) the need to preserve commercial confidentiality, and

(b) any other matters that appear to the Board to be relevant,

it is reasonable for the Board to refuse to disclose it to the Panel.'.

Amendment No. 24, in page 120, line 6, schedule 1, at end insert

'with the concurrence of the Lord Chief Justice'.

Amendment No. 147, in page 120, line 9, schedule 1, after 'Chancellor', insert

'with the approval of the Lord Chief Justice'.

Amendment No. 25, in page 120, line 9, schedule 1, at end insert

'with the concurrence of the Lord Chief Justice'.

Government amendment No. 102.

Amendment No. 26, in page 120, line 15, schedule 1, after 'Chancellor', insert 'and Lord Chief Justice'.

Amendment No. 75, in page 120, line 17, schedule 1, leave out 'first'.

Government amendments Nos. 103 and 104.

Amendment No. 27, in page 121, line 17, schedule 1, after 'Chancellor', insert 'and Lord Chief Justice'.

Amendment No. 28, in page 122, line 6, schedule 1, after 'Chancellor', insert

'with the concurrence of the Lord Chief Justice'.

Amendment No. 29, in page 122, line 7, schedule 1, after 'Chancellor', insert 'and Lord Chief Justice'.

Amendment No. 30, in page 122, line 9, schedule 1, leave out 'is' and insert 'and Lord Chief Justice are'.

Amendment No. 31, in page 122, line 18, schedule 1, at end insert—

'(4A) Before removing the chairman under sub-paragraph (1)(b), the Lord Chancellor must seek the approval of the Lord Chief Justice.'.

Amendment No. 32, in page 122, line 19, schedule 1, leave out 'removing' and insert

'the Lord Chancellor and Lord Chief Justice remove'.

Government amendment No. 106.

Amendment No. 33, in page 122, line 20, schedule 1, after 'Chancellor', insert 'and the Lord Chief Justice'.

Amendment No. 34, in page 122, line 21, schedule 1, after 'Chancellor', insert 'and Lord Chief Justice'.

5.15 pm

**Bridget Prentice:** As you were reading out that list of amendments, Mr. Deputy Speaker, you reminded me of what the hon. Member for North-West Norfolk (Mr. Bellingham) said earlier about the debate and the number of amendments to be considered. I hope that hon. Members in all parties realise that the Government amendments are included because we have been listening to what Members have been saying in Committee and elsewhere. Hopefully, that should help us to speed through the debate, but I will not hold my breath.

A number of the points relating to the Government amendments and those tabled by others have been discussed at some length in Committee and in the other place, and the hon. Member for Huntingdon (Mr. Djanogly) made some valid points in Committee about the consumer panel and its appointments. Those should be independent and objective, and should be seen to be so. I said at the time that there was very little between us on that question of independence, and it is appropriate that the Lord Chancellor's approval of appointments to the consumer panel should be obtained. That is why I have tabled Government amendments Nos. 78, 79 and 80. I hope that the hon. Gentleman can see that those amendments will achieve what is sought by amendment No. 6. Together the amendments not only ensure independence, but they add a level of parliamentary scrutiny and set out further detail on the terms and conditions under which appointments will be made, so that the process is absolutely transparent.

On amendment No. 7, hon. Members might be encouraged to know that as a consequence of the move to involve the Lord Chancellor in appointments to the consumer panel, there will be some degree of parliamentary accountability. Amendment No. 7 would set out requirements for the procedure for making appointments to the consumer panel, and I was concerned that setting out specific requirements in the Bill, such as a public advertisement, might reduce the flexibility of the appointments process, should it have to adapt to changing best practice. For example, the majority of the panel might already have been appointed and they may be looking for someone with particular skills or experience. In such a case, it might be unnecessary to have a widespread public advertisement when advertising in specialist publications or using

*[Bridget Prentice]*

some other techniques might enable them to get to more appropriate people, more quickly and at lower cost.

**Mr. Heath:** I am listening carefully to the Minister. I hope that I am not understanding her to say that the Nolan principles should be set aside in certain circumstances.

**Bridget Prentice:** I absolutely reassure the hon. Gentleman that under no circumstances would that be the case. I am talking purely about the practicalities of where the best place might be to look for someone with specialist knowledge.

I know that consumer groups have been very supportive of amendment No. 8, and they are keen that the consumer panel should be properly equipped to fulfil its role effectively. However, I am not convinced that there should be an explicit duty on the board obliging it to provide the panel with any information that the panel regards as appropriate. Under clause 168, the board can already give the panel any information that will assist the board in exercising its statutory functions. We could get into a burdensome situation if it also had a duty to provide any information for which the panel might ask. There is a possibility of creating a knock-on effect, with the board having to defend itself with judicial review if it judged that it would be inappropriate to provide certain information, even if sound reasons underpinned that decision.

Let me deal with amendments Nos. 24 to 34 and 147, and Government amendments Nos. 102 and 106. I know that hon. Members appreciate the importance of independent appointment of members of the board—that has been debated at almost every stage in the Bill's passage. We must all ensure that we achieve that. However, I explained at length in Committee why I cannot accept concurrence of the Lord Chief Justice in appointing the chair of the board.

The Bill is drafted to make it compatible with best practice, which, as the hon. Member for Somerton and Frome (Mr. Heath) said, means being compatible with the code of practice of the Commissioner for Public Appointments. The first principle of that code requires ultimate ministerial responsibility for appointments. That is essential to ensure that those who make appointments are properly accountable to Parliament.

Concurrence with the Lord Chief Justice would undermine that process because it gives someone other than a Minister a veto on appointments to the board. That runs contrary to the principle of ultimate ministerial responsibility. It removes the formal role of the Commissioner for Public Appointments in the oversight and regulation of public appointments and undermines parliamentary scrutiny and accountability in the process. I have therefore suggested that the Lord Chancellor should consult the Lord Chief Justice on appointments to and removals from the board. I have listened carefully to views in the House and I want to ensure that the board is not only independent but seen to be independent, without conflicting with the commissioner's code at the same time as maintaining channels for proper parliamentary accountability.

**John Hemming** (Birmingham, Yardley) (LD): I experienced the same difficulty during pre-legislative scrutiny and in Committee in understanding how, if the Minister appoints and removes the legal services board chair, the body is independent of Government. The Under-Secretary essentially proposes a system whereby the Government are in control of the legal services board.

**Bridget Prentice:** If the hon. Gentleman looks back at our debate in Committee, he will read that I said—I repeat the point here—that it is odd that Liberal Democrats object to proper parliamentary scrutiny by, in this case, the Lord Chancellor, and of the appointment of the legal services board. The fact that it must be done under the rules of the Commissioner for Public Appointments makes it clear that the person has to be independent of Government and Ministers. I am determined that that should be the case.

**John Hemming:** As the Under-Secretary may know, I have had some involvement in the private sector, where shares are owned, directors can be appointed and so on. If one appoints directors to a body, it is deemed to be a subsidiary, not independent. It may have some legal independence as an entity, but it is a subsidiary and controlled in that way. Does the Under-Secretary not accept that there is some merit in separating the estates of the constitution so that the judiciary and its associated links are independent of the Government?

**Bridget Prentice:** We all accept that the judiciary, solicitors and barristers are independent of Government. If I may put it gently to the hon. Gentleman, he is perhaps living in the past. The Liberal Democrats, if not the hon. Gentleman, supported the Lord Chancellor having some oversight of appointments to the consumer panel, yet he suggests that there should not be oversight of the chair of the legal services board.

Although I have conceded that it is important for the Lord Chancellor to consult the Lord Chief Justice, some may feel that if the Lord Chief Justice's view of the appointment were very different from that of the Lord Chancellor, it should not be suppressed. Let me make it absolutely clear that if in consultation the Lord Chief Justice took a view contrary to that of the Lord Chancellor, the Lord Chief Justice would be perfectly entitled, and able, to make his view public. I do not think for a moment that Ministers would be able to apply pressure to him—or her, if we ever have a female Lord Chief Justice.

**Robert Neill:** I welcome the last part of what the Minister said, but, with respect, I fail to understand the argument that because the Lord Chancellor—who is accountable to Parliament—must obtain someone else's agreement to an appointment that he himself ultimately makes anyway, that somehow undermines his accountability. That does not strike me as logical. If consultation takes place, ultimately it is the Lord Chancellor's decision; it is just that he has to get someone else to agree with it.

I am glad the Minister has said that if the Lord Chief Justice really thought there was to be an inappropriate appointment, he would have the right to go public. Will she consider entrenching the process by at some point

giving the Lord Chief Justice the same right to make a statement to Parliament as he has in relation to other matters under the Constitutional Reform Act 2005?

**Bridget Prentice:** Let me deal with the second point first. Discussions about constitutional reform are not relevant to this Bill. Perhaps what the hon. Gentleman has said should be referred to those who are dealing with such issues; he may have an opportunity to raise them in another forum.

I am pretty sure that if I looked up "concurrence" in a dictionary, I would learn that it meant that if two people were involved, they would have to agree.

**Mr. Heath:** Both!

**Robert Neill:** It is still the Lord Chancellor's decision.

**Bridget Prentice:** If both must agree, it is not concurrence when only one can make the decision. I am not sure what the right phrase is in this context, but while I am aware that lawyers like to dance on the heads of pins when it comes to definitions, I think that the hon. Gentleman needs to reflect on the meaning of "concurrence" and my reason for rejecting it in this instance. As I said in Committee, the decision should be made in consultation with the Lord Chief Justice, and no doubt with others—that will be in the Bill—and the Lord Chief Justice will be able to make his views known.

Members will recall that I wanted to re-examine the question of the lay chair following our robust debate in Committee about what should happen if for some reason the first chair—who, under the Bill as it stands, must be a lay chair—vacates office prematurely. The possibility was mooted that a lawyer might be able to become chair of the board earlier than had been intended. I therefore tabled amendments Nos. 103 and 104 to ensure that all chairs appointed in the first five years must be lay. Now my hon. Friends the Members for North Durham (Mr. Jones) and for Bassetlaw (John Mann) have tabled an amendment providing for the chair always to be lay, and for that reason I shall not pursue amendment No. 103. I think that the arguments my hon. Friends advanced in Committee—which I hope they will reinforce this evening—are excellent.

5.30 pm

Those arguments will give the consumer confidence that the regulatory system is designed to protect them, which is why we already require a majority of the board to be lay. That does not prevent people who have qualified as lawyers from sitting on the board; after all, they will be able to provide an essential insight into the profession. However, I have been persuaded by the arguments. I note that my hon. Friend the Member for North Durham tabled another amendment that has not been selected, but he will find that amendment No. 104 achieves the same end. For that reason, I hope that the Government amendments that I have set out will be accepted.

**Mr. Jonathan Djanogly** (Huntingdon) (Con): First, I declare an interest as member of the Law Society and of the corporate finance faculty of the Institute of Chartered Accountants.

The group covers two distinct areas: first, the consumer panel, which will represent the interests of consumers of legal services—we are now almost in agreement with the Government's position—and secondly, the legal services board, on which there are important outstanding issues. We appreciate the Government' acceptance of our position regarding the need for appointments to the consumer panel to be made objectively and to be seen to be made objectively. Such a need is fulfilled by the Lord Chancellor's approval of such appointments.

The Government's concession on the issue, through amendment. No. 78, is on the same terms as those suggested by my hon. Friends and me in Committee, and thus removes the need for our amendment No. 6. This is a welcome development.

Government amendments Nos. 78 and 79 provide for members of the consumer panel to be appointed for a fixed period and on other terms and conditions as determined by the board. They also provide for the removal of a member of the consumer panel in accordance with those terms and conditions that would require the approval of the Lord Chancellor. Again we are pleased to see the Government's movement, but I should like some minor clarification. The terms and conditions of appointment will be fixed and known to the Lord Chancellor before removal. Surely we only need to cater for the situation where a removal is carried out other than in accordance with what has been previously approved. If this is the intention, I suggest that the wording in clause 8 should be that a person may be removed from office otherwise than in accordance with those terms and conditions and only with the approval of the Lord Chancellor. In effect, I believe that these new provisions, while moving in the right direction, may require some further thought; perhaps the Minister might clarify the existing wording.

Our amendment No. 7 would mean that the chairman and other members of the consumer panel would not be appointed simply on terms and conditions determined by the board, but following public advertisement and selection by the pervading standards for selection of members of public bodies. This wording is to be added so that appointments to the consumer panel are made and seen to be made objectively. This will give all applicants a fair opportunity to apply for the panel. As a consumer panel, it needs to represent the public and therefore a public advertisement would be the best means of ensuring that that is the case.

Additionally, it is important that the current criterion for selecting members of a public body is employed so that all applicants are given and are seen to be given an equal opportunity to be selected. We see this as important, as the consumer panel is the voice of the public and ensures that consumers are given adequate representation. Also, it is necessary explicitly to set out in the Bill that the pervading standards for selection of members of public bodies must be followed. Given that the appointments are to be made by the board and not by Ministers, strictly speaking, there will be no compulsion to follow the Commissioner for Public Appointments' code of practice. The hon. Member for Somerton and Frome (Mr. Heath) made a valid intervention on that issue. Our amendment follows that line of thought and would plug the gap.

*[Mr. Jonathan Djanogly]*

Our amendment No. 8 to clause 11 would ensure that the consumer panel has access to the information held by the board which it needs to carry out its functions, subject to appropriate restrictions. In the same way that a person needs the appropriate resources in order to do their work, the consumer panel will require access to certain information in order to carry out its work to the highest possible level.

However, amendment No. 8 also recognises that there might be some instances when it is inappropriate for the consumer panel to receive such information. Therefore, its proposed new subsection (5) gives the legal services board the discretion to decide whether that is the case. The Minister was previously unwilling to move on this issue, fearing, I believe, that it could lead to empire building by the consumer panel rather than consumer interests being represented, and we share that concern. However, she agreed that she would consider an amendment ensuring that the board provides the consumer panel with the necessary information for it to discharge its functions. This amendment does that; it would improve clause 11 as it would enable the consumer panel better to represent the consumers' interests. The Minister has considered this issue again, and we are sorry that there has not been a little movement in that direction.

Amendment No. 75 was tabled by the hon. Member for North Durham (Mr. Jones), whose contribution to our deliberations on the Bill deserves recognition—even if it has not always won our agreement. It would result in the chairman of the legal services board always having to be a lay person. We remain unconvinced of the necessity for such an amendment. It is not sensible for lawyers to be unable to take on the chairmanship of the board and for the prohibition period to be extended indefinitely. Would people qualified as lawyers but who work in business and have not practised as a lawyer for a number of years be among those discriminated against? Such prejudice is unjust and nonsensical.

**John Hemming**: Does the hon. Gentleman not accept that there is an argument for the legal services board, and particularly its chair, to be seen to be independent of the legal profession?

**Mr. Djanogly:** That argument can certainly be made, but I am saying that it will not apply to all lawyers in all cases. It might apply to certain lawyers; in some circumstances, a lawyer's practice might negate their suitability for the position. That will not, however, be the case in all instances. The problem with this proposal is that it would create a non-adaptable set of circumstances. That would not be suitable. We have recently had a Prime Minister who was a lawyer, and lawyers can be chairmen of various sorts of organisations, from banks to voluntary agencies. There is no justification for excluding an entire profession from the role of chairman of the legal services board. It is in the public interest that the best person for the job is appointed as chairman, and I see no reason why the best person might not be, for instance, a qualified non-practising lawyer. We shall therefore seek to divide the House on amendment No. 75 at the appropriate time, which will be when we debate a later group of amendments.

Government amendment No. 103 would ensure that the chairman of the legal services board must be a lay person for the first five years. Again, we see no justification for that requirement and believe that the chairman should simply be the best person for the job. I note that the Government have withdrawn the amendment, so this point has in effect become irrelevant.

Government amendment No. 104 clarifies the fact that the chairman, and not simply "any subsequent" chairman, must not carry out reserved legal activities during the appointment. That simply follows on from other points.

Let me now turn to what in constitutional terms is the core of the proposed legislation: the appointment and removal of members of the legal services board. We appreciate the Minister accepting that her position in Committee—the simple reliance on Nolan principles to ensure that appointments to the board are made independently of Government—was insufficient. Appointments to the board being made by the Lord Chancellor alone could have had serious implications. It would have meant that a senior member of the Executive would have had the ultimate responsibility for governing how the legal profession was regulated. Such a structure could have dramatically undermined the crucial principle of the independence of the legal services board from Government.

I am glad that the Minister has changed the Government's stance, adopted in Committee, of simply tabling amendments to wreck what we felt was the good work carried out in the other place, and that she has instead come back with the constructive suggestion, contained in Government amendments Nos. 102 and 106, that appointments and removals from the legal services board be made following consultation with the Lord Chief Justice.

I spoke at some length in Committee about the serious concerns of many groups about the potential effect on the legal profession's independence if the Lord Chancellor could make appointments to the LSB alone. The Government appear finally to have listened to the views of the legal profession, the Law Society, the Bar Council, other regulators—both national and, I have to say, international—Conservatives, Liberal Democrats and Cross-Bench peers, who amended the Bill in the House of Lords to ensure that a check exists on the Lord Chancellor's power to make appointments to the LSB. However, I still question whether the Government's amendments go far enough to protect the legal profession's independence. I still believe that ideally, the Lord Chief Justice's concurrence would be the most appropriate check on the Lord Chancellor's powers. It is for that reason that my hon. Friends and I tabled amendments Nos. 24 to 34.

The Law Society has expressed concerns about the position under the Government amendments, which provide only for "consultation" with the Lord Chief Justice. In a letter to Lord Kingsland of 10 September, the Law Society stated:

> "We think it is important that the Government should make it clear that 'consultation' will amount to much more than merely inviting the Lord Chief Justice to comment on a list of names of those the Lord Chancellor proposes to appoint. Consultation should cover all aspects of the appointment process. In particular, the Lord Chancellor should consult the Lord Chief

Justice about the specification of the skills and experience required of the Chair and other members of the Legal Services Board, and also about the composition of the panel which will interview candidates."

I very much hope that the Minister can provide such assurances to address the Law Society's concerns, which we share. However, requiring appointments to be made with the Lord Chief Justice's concurrence would ensure that his or her opinion was given sufficient sway, and that appointments were wholly independent of Government influence.

Indeed, we say that this requirement for concurrence is the best protection to bolster the independence of the legal profession from the Government. Simple consultation, with no clarification of what it will involve, does not go far enough on such an important issue. An independent legal profession provides the ultimate safeguard of the rights of the individual against abuse of power by the state. Lord Woolf, the former Lord Chief Justice, has wisely pointed out that

"the independence of our judiciary is dependent on the independence of our legal profession."—[*Official Report, House of Lords,* 16 April 2007; Vol. 691, c. 52.]

Simply requiring consultation with the Lord Chief Justice may, in some circumstances, not be sufficient to ensure that any doubt about the independence of the legal profession is removed.

In discussions with the Minister, which were certainly helpful, the question was raised of using a parliamentary confirmation hearing for appointments to the LSB, along the lines announced by the Prime Minister in relation to senior appointments. The Minister stated that she would look into the possibility of using such hearings, and I should be pleased to hear her views on that in relation to all board appointments, or just chairman appointments. I point out, however, that even if such hearings were put in place, they might not go far enough to protect the legal profession's independence. The Lord Chancellor would not need to listen to any recommendations, and could be seen to be following unchecked some form of political agenda in relation to the appointment of the board. It does not matter how much consultation with the Lord Chief Justice or a parliamentary Committee takes place if it is simply ignored. For this reason, we still see the concurrence of the Lord Chief Justice as the ideal.

The position under the Government's amendments is that simple "consultation" would suffice. This issue must be addressed again if consultation is ever to be sufficient. At the very least, written guidelines on what that consultation will involve must be provided. For instance, is it agreed that the Lord Chief Justice's views on appointments to the legal services board should be publishable? We are not yet there on these vital provisions. The concurrence position was that agreed by all Opposition Members and passed in the other place. That is where it will go again, as would be the case in any event, because it is essentially the amendment from the other place that this House has turned down. The Government will have difficulties unless much more flesh is placed on the bones of their concession. On that basis, I shall ask for a Division at the appropriate time in these proceedings to allow hon. Members to vote for concurrence, on amendment No. 24.

5.45 pm

**Mr. Kevan Jones:** I shall speak to amendment No. 75, which stands in my name and that of my hon. Friend the Member for Bassetlaw (John Mann). This simple amendment is of great importance to this Bill, because it reinforces what the Minister has said throughout its passage about putting the consumer at its heart.

The amendment proposes to remove the word "first" from paragraph 2(2) to schedule 1, which states:

"The first chairman must be a lay person."

For the purposes of the Bill, a lay person is defined as someone who has never acted as a legal professional. The amendment is important in ensuring that the legal services board is seen to be independent, because having someone in place who is not a legal professional in any shape or form is vital, given that we have seen vested interests demonstrated in Committee and again here tonight.

The legal services ombudsman, to whom I referred earlier, is appointed by the Lord Chancellor in accordance with section 21 of the Courts and Legal Services Act 1990, which stipulates that the ombudsman shall not be a qualified lawyer and shall be independent of the legal profession. It is important that the chair of the new legal services board is not only independent but seen to be so. That cannot be achieved if he or she has connections with the legal profession. The Bill provides that the first chairman should be a lay person—I am happy that the Conservatives support that—so why not continue that? The amendment, which I am pleased that the Government now accept, will reinforce the importance of that lay position; many of my constituents need its protection.

During the passage of this Bill, both in this Chamber and in the other place, we have seen a rearguard action fought by the vested interests of the legal profession to protect anything and to fillet the Bill. I am pleased that the Minister has not given in to that pressure and has ensured that the Bill has the consumer at heart, as she has always stated. This proposal is an important part of that. I am also pleased that Which? has been campaigning for this amendment and supporting the call for the chair to be a lay person.

We have heard from vested interests during discussion of the Bill. It is a badge of honour that the Conservatives are to divide the House on my amendment. I am pleased because it shows, as has been demonstrated during progress of the Bill, that no matter what is said by the sleek packaging of the new Conservative party, when it comes to legislation the old Tory party of vested interests and conservative nature emerges. The way in which the Conservatives have conducted themselves on this Bill is a great example of that. I am pleased that the amendment will be supported—*[Interruption.]* The hon. Member for Huntingdon (Mr. Djanogly) asks whether all lawyers are Tories. No, they are not, but he and his colleagues are doing a damned good job of protecting the vested interests of the legal profession. I would have thought that were he into this new cuddly, friendly, consumer-orientated Conservative party—

**John Mann:** That was last week.

**Mr. Jones:** Sorry, as my hon. Friend says, that was last week. Were the hon. Gentleman into that approach, he would embrace something that gives the little people in this society some rights and powers and that puts the consumer, rather than vested interests, at its heart. I am pleased that the amendment will be put to a vote. I hope that it will be agreed and that we ensure that we get a legal services board that is not only independent from the legal profession but is seen to be so. People will gain confidence from that. I am sad that that will ensure that Members such as the hon. Member for Bromley and Chislehurst (Robert Neill) will not be able, following his retirement, to sit on the board, but I am sure that he will find a quango to add to his already long list.

**John Hemming:** Obviously, the hon. Gentleman's arguments for the independence of the chair of the legal services board from the legal profession are strong. However, does he accept that the legal profession should be independent of Government and not be in a situation in which a Government appointee can sack people from practising?

**Mr. Jones:** I am sad that the Liberals have fallen for that nonsense. The hon. Member for North Southwark and Bermondsey (Simon Hughes) was good in Committee at championing the consumer interest, as was the hon. Gentleman, but he does himself no favours by falling for the old turkey that somehow the amendment would mean Government interfering directly in the legal profession. I know of no other organisation that would insist on having a direct say in how it is regulated or on the board that regulates it. I mentioned in Committee the example of the certification officer. The Conservatives would certainly frown on the idea that a full-time trade unionist, or someone with a trade union background, should be the certification officer, but if we do not accept the amendment, that is what will happen in the legal profession.

I am pleased that the Government have listened and the Bill's passage has been conducted in a good spirit. To give the Minister credit, she has taken on board points that have been made about the consumer interest, which is after all the core of the Bill.

**Mr. Heath:** This is an important group of amendments, dealing as it does with the constitution, the consumer panel and the legal services board. I recognise the moves made by the Minister in the direction of other members of the Committee in recognising some of the problems with the Bill. I especially welcome the change in the provision for the appointment of the consumer panel, which now requires the approval of the Lord Chief Justice.

I hear what the Minister says about information, and I shall look carefully at the *Official Report* when it comes to the information provided to the panel. It is essential that the panel has all the information that it requires to do its work effectively. There have been instances of consumer panels in other areas of government and industry that have not had all the information that they need. It is crucial that there should be no suggestion that the panel is kept in the dark about key issues relating to the legal profession and its relationship with its consumers. I will look closely at what the Minister says to see whether it allays the fears of consumer groups that think that the provision of such information should be a statutory requirement.

I entirely agree with amendment No. 75, tabled by the hon. Member for North Durham (Mr. Jones). There is a strong argument that the chair of the legal services board should be not only independent but seen to be independent of the profession that is being regulated. Even if a person who has qualified but has been out of practice for 25 years is appointed as chairman of the LSB, he or she will not be seen as an entirely independent arbiter. It is therefore very much in the interests of the system that the Government are promoting and of the professions themselves that the person appointed is seen to be beyond reproach. Having a lay chairman would strengthen the whole principle of the LSB, in the same way as arrangements for disciplinary matters in Parliament are strengthened by an Opposition Member—who is seen to be independent of the majority in the House—chairing the Committee in question. Such independence is important and, if we are to have a Division, I shall recommend to my right hon. and hon. Friends that they support the amendment.

I part company with the Government on the requirement in respect of the Lord Chief Justice. It would be wrong to fail to recognise that the Government have added a provision requiring consultation, and that is a move in the right direction. However, I have tabled amendment No. 147, which would require the approval of the Lord Chief Justice. I had a brief discussion with the hon. Member for Huntingdon (Mr. Djanogly) the other day about whether the word "approval" had any different connotations to the word "concurrence". On reflection, I am not sure that it does, except for the fact that the Government clearly prefer the word "approval", as they used it in their amendments on the consumer panel. Therefore, if there is any nuance in that word that will secure the agreement of the Government it is worth exploiting. The honest truth, however, is that I tabled the amendment having temporarily mislaid amendment No. 24, which the hon. Gentleman had tabled. They come to the same thing, and that is why I have now added my name to amendment No. 24.

Why is it important that we have the concurrence of the Lord Chief Justice? It is not because he is someone who will impose the will of the legal profession on the appointment. That is not the role that the Lord Chief Justice would exercise in that respect. Is there a difference between the approval and the consultation that the Minister is proposing? There is a difference in precise terms, but I am less confident in claiming that there is a difference in practice. I find it difficult to imagine circumstances in which a Lord Chancellor would proceed as chair of the LSB with the appointment of someone whom the Lord Chief Justice had considered, rejected and told the world why he had rejected them. The Lord Chancellor would be in a very difficult position.

The intervention by the hon. Member for Bromley and Chislehurst (Robert Neill) was interesting. Would the Lord Chief Justice have the statutory right to report that disagreement to the House? I think that he

would. In that case, the Lord Chancellor would be proceeding with the appointment of someone in whom the Lord Chief Justice had no confidence and could report that fact in open session to this House and the other place. Would the Lord Chancellor proceed with the appointment in such circumstances? If that is the case, the Government's resistance to the amendment becomes even more difficult to sustain, because the practical consequence would be the same.

I have dealt with the practicalities, and I shall now deal with the theory. The intervention by my hon. Friend the Member for Birmingham, Yardley (John Hemming) was right: the appointment must be independent of the legal profession, but it must also be independent of the Government. We know what happens in those jurisdictions where lawyers are appointed—or their appointment is in any way constrained—by the Government. That is the way to tyranny, which is why we have always maintained the independence of the legal profession and why we have written into statute the independence of the judiciary and the particular role of the Lord Chief Justice, not as head of the profession but as head of the law in terms of the judiciary. Removing any suspicion that the Government may want to manipulate the membership of the legal services board by ensuring that the Lord Chief Justice has not only been consulted but is actually prepared to support the appointment of a given person is an important safeguard for that body.

6 pm

**John Hemming:** In the business context one talks about hiring and firing, so does my hon. Friend agree that the power to fire is a much stronger control over the board than the power to hire?

**Mr. Heath:** I would agree, except that I do not believe that power under the Bill would be exercised in any real sense unless there was a case of gross misconduct. There may be such cases and one hopes that they do not arise, but one must at least make provision. My point is that the concurrence of the Lord Chief Justice is the imprimatur that ensures that the Lord Chancellor is acting properly in making appointments to the legal services board.

My last point is to rebut what the Minister said about accountability. I do not understand how the concurrence, approval or agreement of the Lord Chief Justice in any way removes the accountability of the Lord Chancellor—happily to this place rather than to an unelected place down the Corridor—in the exercise of the political judgment that that Minister makes. It will still be for the Lord Chancellor to initiate the appointment process. It will still be for the Lord Chancellor to determine the criteria for appointment. It will still be for the Lord Chancellor to arrive at the name that is submitted, and it will still be for the Lord Chancellor, having secured or otherwise the agreement of the Lord Chief Justice, to propose it to the House. Of course, if the Lord Chief Justice says that a person is grossly unsuitable, the appointment procedure will come to a halt, but the person who is appointed with the approval of the Lord Chief Justice is subject to the accountability of the House on the part of the Lord Chancellor. That seems entirely right and proper and I do not believe the Minister's assertion that the provision undermines the accountability of Ministers or the role of the House in securing proper consideration of such appointments.

For all those reasons amendment No. 24 is well founded. Whatever view the Minister and her right hon. and hon. Friends take tonight is almost irrelevant because the proposal will return from another place. I am sure that people there feel strongly that the role of the Lord Chief Justice in the matter needs to be secured and buttressed, not for narrow sectional or vested interests but because it will ensure that the independence of the legal services board is maintained with a double lock—a political one, independent of the professions, and a judicial one, independent of the Government. Both of those working together will ensure that we have a legal services board that does the job the House wants it to do. If the amendment is moved later, I shall recommend that my hon. Friends support it.

We shall support amendment No. 75. We are nearing a satisfactory conclusion to this part of the Bill, but we are not quite there yet.

**John Mann:** Unfortunately, the hon. Member for Bromley and Chislehurst (Robert Neill) is no longer in the Chamber. He described some Members on the Labour Benches as obsessed. He chose his terminology injudiciously; a better description would be "diligent". The people who are obsessed in this debate, as they have been throughout the two years of the Bill's proceedings, are those who want to maintain the privileged position of the legal profession and everything to do with it. We have heard the same thing again today.

The suggestion that the prospect of the board's having a permanent lay chairperson could lead to a Division called by Her Majesty's Opposition casts some doubt over the wisdom of the Conservative party and about its contact with the real world. However, in the real politics, I shall be generous to the Opposition. The obsession seems to be with preserving the status quo and the privileges of the legal profession, and in my brief remarks I shall speak in support of the amendment that I have signed. I shall cite as closely as I can the words of the late James Sheppard, who was one of my constituents, because I always like to ensure that the House comes into the real world when we are discussing the problems of regulating the legal profession.

When I first called meetings of miners—usually those who had retired—and their widows, they had no understanding of what the Law Society was and had never heard of the Bar Standards Board or the Bar Council. I had never taken cases to court and had no knowledge whatever but I realised that something was going wrong. I received backing at every one of my initial meetings from Mr. James Sheppard, a retired miner who was very ill. He was probably also very aged, but it was hard to tell because he was so ill that one could not be certain of his age. One could be certain, however, that he would ensure that all my meetings were wheelchair-accessible, because his emphysema meant that he was permanently wheelchair-bound. Despite that, at every meeting he insisted on getting out of his wheelchair—initially, much to my fear—to deliver a speech. I watched him teeter to his feet and wondered how long he could stand before falling down, but on

*[John Mann]*

every occasion—from first to last—he raised himself to his feet with the aid of his sticks and delivered the most eloquent of speeches.

Mr. Sheppard spoke on behalf of retired miners everywhere. He explained his life and work, and told us how during the war coal was dug by people such as him to ensure that we could produce armaments and keep the power going to sustain the war effort. Their service was belatedly recognised by the Ministry of Defence through the Bevin boys medal. Throughout the post-war period, miners in constituencies such as mine worked in collieries where health and safety was an afterthought. That is why miners won a court battle on emphysema. Such stories are mere words when they are bandied around in this place, but they are not mere words when someone such as Mr. Sheppard is struggling for breath and demanding to know why a solicitor took part of his industrial disease compensation with no right to do so.

When I first heard Mr. Sheppard, neither he nor I had a clue about the regulations or how he could take his case forward. It took me 18 months to devise a mechanism so that one of the cases would hold up before the Law Society and my miners could get their money back. That was eventually too late for Mr. James Sheppard, because he did not see justice; his wife had to get justice for the late Mr. Sheppard. That is the kind of problem that we are dealing with, and it is why when we make a proposal suggesting that a lay person should chair the board that oversees the regulation of the profession, it seems to me and to all my constituents that we are being rather modest in doing so.

If one wants to take the other extreme, I note how, when the Bill was first proposed, all parties in the House ensured that every member of the Joint Committee on the draft Bill came from the legal profession. Some of us are not obsessed; we are diligent on behalf of our constituents in ensuring that those who do not earn a good living from the legal profession have a system in place that allows them access to justice. That access to justice did not exist for my constituents because they could not see it. Only when the scale of the solicitors' greed came to the fore did we begin to win some changes. If that had not happened, such things would still be going on.

I remind the House that, even today, the vast majority of cases that have been settled come from three constituencies. If I get the opportunity later in the proceedings, I will name three new solicitors today. One of them has been in my sights for some time; the other two have come to light just this weekend. They are new solicitors, and I have not had the opportunity to deal with them, unlike the 45 from whom I have got money back before.

I hope that some Opposition Members will be courageous enough to think things through. A person in my constituency or others who has an average knowledge of the law—Mr. Sheppard was far from average—wants a legal profession that is confident enough in itself and in its own decency confidently to welcome someone who is independent of that profession overseeing and regulating the board. I have received a large number of letters from legal professionals shocked by the minority who have abused the honour of their profession, and none of them are worrying about the independence of a lay chair. So I hope that the Opposition will rethink their disgraceful call to push the issue to a vote.

**Mr. David Kidney** (Stafford) (Lab): I was a member of the Joint Committee on the draft Bill, and I declare an interest as a non-practising solicitor. I have been non-practising for 10 years now, so I hope that my hon. Friend the Member for Bassetlaw (John Mann) will not be too hard on me as one of the lawyers whom he is attacking.

I give great credit to my hon. Friends the Members for Bassetlaw and for North Durham (Mr. Jones) for being so persistent about a lay chair for the legal services board. I congratulate them on what appears to have been their successful conversion of the Government to their cause. I also want to congratulate the Minister. The hon. Member for Huntingdon (Mr. Djanogly) mentioned that she has taken care to listen to all points of view and has carefully considered all the arguments. She has been very deliberate in her decision to propose her amendment on the consultation between the Lord Chancellor and the Lord Chief Justice. I will support her final judgment, because I appreciate the care that she has taken in coming to that decision.

I want to say briefly why I support both proposals. First, on the lay chair of the legal services board, clearly the board will comprise a number of lawyers and non-lawyers. It is important that it should have a lay chair, because the crunch decision will come one day when the legal services board explains why it has not decided to intervene in a crisis that involves legal services. The person whom the whole country will see on television screens, hear reported on the radio and see reported in the newspapers will be the chair of the legal services board. Public confidence will be maintained if no one says that the board decided not to intervene because that person was a lawyer and that, "They're all the same, these lawyers; they stick together." That is a matter of public interest, which is also a regulatory objective in the Bill.

As for consulting the Lord Chancellor, my hon. Friend the Member for North Durham mocked the official Opposition for being behind the rest of us and stuck with the vested interests of lawyers in opposing the consultation provision and in seeking the concurrence provision. The official Opposition are in a worse position than he suggests. In fact, they have been left behind by everyone else. The solicitors' representative body, the Law Society, now supports the Government amendment. The representative body of the Bar, the Bar Council, and the Chartered Institute of Patent Attorneys now support the provision. Clearly, Which? supports it.

6.15 pm

**Mr. Djanogly:** At least half of the organisations that the hon. Gentleman mentions as having accepted the Government's position have done so reluctantly on the basis that the Government have made a concession from the position that they actually want, which is concurrence. Recent missives from the Bar Council say that quite clearly.

**Mr. Kidney:** I am grateful to the hon. Gentleman for that intervention, because I have in front of me the briefings from those bodies, each of which says that it supports the Government amendment. I do not know about their motivations and how strongly they feel about supporting the Government, but they say in writing that they support the provision; only Opposition Members say that they do not support the provision.

The other suggestion that the hon. Gentleman mentioned is one that I made in a meeting with the Minister, and it relates to confirmation hearings for the chair of the board. If that suggestion becomes adopted practice, it might provide some comfort to the Opposition, because the representation of the public interest in such appointments should lie with Parliament, which represents the people of this country.

I served on the Treasury Committee in the 1997 to 2001 Parliament, when we introduced confirmation hearings for the members of the Monetary Policy Committee. Admittedly, that is a non-statutory arrangement, which is not binding on the Treasury. Nevertheless, that process has survived to this day. I was interested in the Prime Minister's statement on constitutional change, when he expressed his interest in confirmation hearings. We could reach a stage where confirmation hearings are binding and statutory. They could reassure some hon. Members about their fear that appointments made by the Lord Chancellor, after consultation with the Lord Chief Justice, would not show sufficient independence. I should like the House to put down a marker today, so that if we set up confirmation hearings, one of the posts that should be subject to them is the chair of the legal services board.

**Bridget Prentice:** I shall be very brief, because it is clear where the House agrees and disagrees on these issues.

On confirmation hearings, I accept what my hon. Friend the Member for Stafford (Mr. Kidney) has said. The hon. Member for Huntingdon (Mr. Djanogly) raised the issue, which is receiving consideration elsewhere in the Government. Given what has been said tonight, the appointment of the chair of the legal services board might well be appropriate for a confirmation hearing. Of course, it is also possible for a Select Committee to scrutinise the appointment. We said that in our response to the Joint Committee.

**Mr. Djanogly:** With this issue going back to the Lords in the very near future and there not being much time, an early indication from the Government on confirmation hearings would be helpful.

**Bridget Prentice:** I can tell the House that, between now and the Bill going to the Lords, I will do my best to speak to my colleagues to find out whether we can discuss further the possibility of that type of appointment.

On Government amendment No. 80, it is important that removals are made in accordance and consistent with the terms and conditions of appointment. It is under those conditions that the board, with the approval of the Lord Chancellor, can remove members of the consumer panel. The Bill makes no express provision in that respect, because it is for the board to decide, but if we are to require the Lord Chancellor's approval for appointments, it follows that we also need his approval for removals. We needed to put that in the Bill to cover the period of appointment.

It is normal practice for appointments to bodies such as the consumer panel to be for fixed periods. The amendments allow members to be reappointed, or to be removed either because the board chooses not to reappoint them or because it actively removes a member in accordance with those terms and conditions.

The hon. Member for Somerton and Frome (Mr. Heath) rightly mentioned narrow sectional interests, but it seems to me that his arguments—saying that it would be right to have a lay chair, but then supporting the concurrence of the Lord Chancellor—are entirely contradictory. Incidentally, I understand that there is no legal difference between approval and concurrence, so he will be pleased to know that his amendment would have been just as appropriate in that respect. However, if he agrees with us that consumer confidence requires that the chair always be a layperson, he must see that the logic of that would be undermined by requiring the agreement of the Lord Chancellor to the appointment.

**Mr. Heath:** That would be the case only if the Lord Chief Justice was seen simply as a representative of the legal profession, rather than as the head of the judiciary. I make a clear distinction between the two. If it were suggested that the appointment would need the concurrence of someone from the Law Society or the Bar Council, rather than the concurrence of the Lord Chief Justice, the Minister's point would have a strong degree of validity.

**Bridget Prentice:** I have just been reminded that I keep saying "the Lord Chancellor" instead of "the Lord Chief Justice". I hope that that will be corrected in *Hansard*.

I had hoped that we had reached the point where we all agree that the consumer is at the heart of the Bill. It is important for the consumer to believe that there is no bias, but, inevitably, the Lord Chief Justice is an ex-lawyer who has at one time or another been a member of the Bar Council or the Law Society. The hon. Gentleman talked about perception, but the consumer would perceive the Lord Chief Justice to be a reflection of the legal profession. That is why concurrence is not appropriate.

**Mr. Kevan Jones:** Does my hon. Friend agree that, as my hon. Friend the Member for Bassetlaw (John Mann) said, the way to look at the matter is through the prism of the consumer?

If he were still with us, Mr. Sheppard would see no difference between the Lord Chief Justice and any other lawyer or person connected with the legal profession; he would see his involvement as the legal profession having a say in the appointment. Is it not important that laypeople such as Mr. Sheppard, who are both consumers and the victims of the legal professions, understand that the appointment is independent of that profession?

**Bridget Prentice:** My hon. Friend, as always, makes the case eloquently. We will have to agree to disagree on this matter, and the House will divide on the amendment.

**Mr. Djanogly:** The Minister says, rightly, that we disagree. However, if we are to go down the consultation route, will she give the House some idea how the plans for consultation will be fleshed out? The Bill is shortly to return to the other place; I know that their lordships will want the meaning of consultation to be fleshed out. Will she do that before the Bill goes back to the other place?

**Bridget Prentice:** I have already engaged in correspondence with the Lord Chief Justice and in discussions on how consultation would take place. I shall try to ensure that that information is made available to both Houses before the debate continues in the other place.

To make a final point to Conservative Members on why they might want to rethink their approach to having a lay chair, I explained to the Lord Chancellor that our amendment would ensure that, whatever he may intend to do after he leaves Parliament, the one thing that he will not do is chair the legal services board. The amendment will ensure that neither he nor any other eminent politician and lawyer will be able to do so. He agrees that that is quite right.

*Amendment agreed to.*

*Amendments made:* No. 79, page 4, line 25, leave out 'on terms and conditions' and insert

'for a fixed period, and on other terms and conditions,'.

No. 80, page 4, line 27, at end insert—

'( ) But a person may be removed from office in accordance with those terms and conditions only with the approval of the Lord Chancellor.

( ) A person who ceases to be chairman or another member of the Consumer Panel may be re-appointed.'.—*[Bridget Prentice.]*

## Clause 15

### CARRYING ON OF A RESERVED LEGAL ACTIVITY: EMPLOYERS AND EMPLOYEES ETC

**John Hemming:** I beg to move amendment No. 152, in page 7, line 13, at end insert—

'(3A) Where "B" is an organisation whose members are carrying on a particular trade or profession for the purposes of which that organisation exists, the provision of relevant services to members for no charge (or by providing an indemnity in respect of unrecovered costs) shall not constitute the provision of relevant services to the public or a section of the public.'.

**Madam Deputy Speaker (Sylvia Heal):** With this it will be convenient to discuss the following amendments:

No. 35, in page 7, line 20, leave out subsection (6).

No. 36, in page 7, line 25, leave out 'Subject to that'.

No. 37, in clause 23, page 12, line 12, leave out 'an independent' and insert 'a'.

No. 39, in clause 105, page 57, line 24, leave out 'an independent' and insert 'a'.

No. 40, page 57, line 26, leave out 'an independent' and insert 'a'.

No. 41, in clause 106, page 57, line 29, leave out 'an independent' and insert 'a'.

No. 38, in schedule 12, page 189, line 42, leave out 'an independent' and insert 'a'.

No. 42, in clause 207, page 117, line 9, leave out from '"independent' to 'Act);' in line 11.

No. 43, page 117, line 26, leave out 'an independent' and insert 'a'.

No. 44, page 117, line 40, at end insert

'"trade union" means a trade union for the time being included in the list of trade unions kept under section 2 of the Trade Union and Labour Relations (Consolidation) Act 1992 (c. 52).'.

No. 45, in schedule 23, page 383, leave out line 21.

No. 46, page 385, line 10, at end insert

'trade union | section 207'.

**John Hemming:** The hon. Member for Bassetlaw (John Mann) has made some valid points about the need for regulation and eloquently explained how it is possible for professionals to work against the interests of their clients. Hon. Members will be well aware of my interest in what happens in the family division. There, for anyone other than the individual concerned or a lawyer to report bad behaviour to the regulators is contempt of court, which means that there is a lot more bad behaviour.

The question is: how far should regulation go? Historically, many organisations and corporate entities have employed solicitors—for example, trade unions, the Medical Protection Society and city councils. What sort of regulation is appropriate in those circumstances? One of the difficulties the trade unions face is that the day-to-day activity of a trade union convenor representing their members in a workplace is often a negotiation, and if the trade union had to regulate itself as an alternative business structure, ordinary day-to-day trade union activity might be regulated in the same way as legal activity. That would obviously be completely wrong. To that extent, the Government's approach of aiming to exempt trade unions from much of the regulatory process is sensible.

However, other organisations—mutual organisations that are not trade unions, such as the Medical Protection Society—could also be trapped by the ABS regulations. I accept that the drafting of my amendment may not be the only way to crack this nut; perhaps in another place the nut will have to be cracked in a more subtle manner. However, in completely rewriting the regulation of the legal profession as we are doing, we should not, through over-regulation, trample on some of the mutual organisations that do a good job for their members.

Amendment No. 152 considers the issue from the point of view of mutual organisations that are not trade unions. I do not say that the amendment is necessarily the best way of going about the matter, but the issue needs to be resolved. It is important to introduce adequate regulation and to make sure that we protect the interests of people who deal with the legal profession.

6.30 pm

The issue particularly affects situations in which someone employs a firm of lawyers to act for them. Of course, the fact that the Legal Services Commission is paying for things presents a challenge; there is the question of whether that means that people do not act as well as they would if clients paid them directly. The case of mutual organisations that employ in-house

lawyers does not really fit in with that; such lawyers should and will be regulated. There is the argument that one should limit what is done by the mutual organisation—in other words, if we give exemptions to mutual organisations or trade unions, we should limit that exemption, so that trade unions and mutual bodies cannot suddenly set up as conveyancing operations and benefit from the exemptions. There is an argument for that, but I think that we are generating a sledgehammer to crack nuts, and in the case of some of the mutual organisations, there are no nuts to be cracked. The amendment aims to be a way forward for dealing with that issue.

**Mr. Djanogly**: I shall speak to amendment No. 35 and other amendments in my name and the names of my hon. Friends on the position of trade unions under the Bill. The purpose of amendments Nos. 35 and 36 is to reverse the trade unions' extremely wide-ranging exemption from the regulatory requirements under the alternative business structure regime of part 5. The exemption, which the Government shuffled in at the last minute in Committee, would mean that trade unions were not subject to any form of regulation under the Bill. Given that the benefit of the consumer has been touted as a key objective of the Bill throughout its stages, I cannot understand why the Government are now prepared to exclude unions from the regulatory framework and subject trade union members to a greater likelihood of receiving poor legal services from providers who are not accountable. Do the Government really think so little of union members that they will allow them to accept legal services of a lower quality than those that non-members would enjoy? It has been clearly highlighted that the behaviour of some trade unions has been wholly unacceptable—for example, in relation to miners' compensation schemes.

**Mr. Kevan Jones**: Will the hon. Gentleman give way?

**Mr. Djanogly:** The hon. Gentleman will have his chance to speak. I ask him to let me make my case. The Minister was happy to accept that the behaviour of some trade unions was appalling, but she also states that the purpose of the exemption is to maintain the status quo with regard to the unions. We will not accept such a weak position. We are here to improve things for the consumer, and not simply to maintain the status quo. Perhaps she should think a little more about union members and a little less about union bosses.

I should like to repeat the Solicitors Regulation Authority's opinion on the trade union exemption. It asks hon. Members to reject the original Government amendment, which it says

"will have the effect of exempting trade unions from being regulated in the same way as other bodies who provide legal services to the extent that they provide such services to their membership. The SRA are opposed to any route that would exempt trade unions from part 5 in relation to reserved legal activities. The SRA's view is that trade union members deserve the same protection in relation to reserved activities as any other consumer of legal services".

The SRA goes on to say that it is

"a matter of principle—the principle that the Bill is seeking to achieve for the future, and the principle envisaged by the Clementi Report. This principle is that any organisation providing reserved legal services to the public or a section of the public needs to be properly and proportionately regulated".

In a memorandum of 10 October this year, the SRA again highlighted its concerns about the trade union exemption.

I foresee that attempts will be made to defend the Government amendments by stating that if the unions were to provide reserved legal services to the public rather than to members, advice given by lay officials would have to fall within the alternative business structure licensing regime. The SRA's view, which I quoted, is that members deserve the same protection as any other consumers of legal services. Even if one accepted, for some reason, that trade union members did not deserve such protection, the question of what constitutes a member is open for interpretation. I would like to express our extreme uneasiness about who could be considered a member of a union, and who would therefore not be classed as a protected member of the public.

In a letter to me of 21 June this year, the Minister helpfully clarified her position on the union exemption. She wrote that in Committee

"Members raised the issue of whether a union would be able to grant 'associate membership' to unconnected people and provide services to them within the exception made through the amendments that were passed. I should make it clear that the terms of the amendments are that a union is excepted where it is providing services by virtue of membership. The detailed drafting makes clear that this includes retired members and family members, but it does not otherwise distinguish between classes of membership. It will be up to the unions to determine who is a member and to whom they want to make membership-based services available. If they want to extend services to associate members, that will be a matter for them."

It is astounding that it will be up to the unions to determine who is classed as a member, and therefore to whom they can extend reserved legal activities without needing to be licensed under part 5. That clearly creates the possibility of unions bringing in associate members and providing a poor service to them, as happened in many of the miners' compensation cases. The Minister went on to highlight the weakness of the position under the amendments that the Government proposed in Committee:

"I do not think that similar problems can be tackled by restricting the categories of 'member' to whom clause 15 should apply. If we were explicitly to exclude associated members, unions might instead create other classes of member, or simply give people bogus 'membership'. And even if we did restrict the clause 15 exception, there would still be the deeper problem of the unions not providing a good enough service. The solution to that is regulation: through the authorised persons providing the service and, for claims management, through the framework and code of conduct that we have established".

I find it almost unbelievable that, on one hand, the Minister fully admits that the unions could become involved in dodgy practices such as giving people bogus membership so that they can give them advice while remaining outside the licensing requirements of part 5, and that, on the other, she says that the issue of who is classed as a member is completely up to the unions. That highlights the fact that the exemption is not only unacceptable in principle but simply far too wide-ranging in practice.

The Minister states that the deep problem is with the unions not providing a good enough service, and that the solution to it is the regulation of authorised

*[Mr. Djanogly]*

persons by existing regulators such as the Law Society. Why are we bothering to pass the Bill if sub-standard service on the part of the legal profession can be sorted out by existing regulators under the existing regime? I fully understand that if trade unions were to become fully licensable under the alternative business structure regime, advice on potential employment disputes given by lay shop stewards could fall within the ambit of the regulations. I understand that it might be undesirable, from the unions' viewpoint, for such advice to come within the ambit of legal services regulation, although I think that that should be debated further. What I cannot understand, however, is providing such a wide exemption.

In a letter of 10 September to Lord Kingsland, the Law Society stated that

"Under the current formulation, trade unions will be able to provide reserved legal services of any sort to members, without requiring to be regulated under the Act as all law firms (and not for profit organisations) will be. Trade unions could, for example, provide conveyancing services or representation in divorce proceedings, as well as advice in relation to employment disputes. Indeed, because the question of membership of a trade union is simply a matter for the trade union's own rules, there would be nothing to stop a trade union from offering membership to the public at large and then providing reserved legal services to those newly recruited members. I should say that there is no reason to suppose that any trade union currently has plans to develop its services in that way. But that hardly seems a justification for creating such a wide potential regulatory gap".

The Law Society stated that it thinks that the problem could be easily solved if the exemption for trade unions applied only to services that are ancillary to the trade unions' main function of representing employees in relation to their employer. That would mean that a trade union would be exempt from regulation under the Legal Services Act if it was providing representation in relation to, say, a contractual dispute with the employer, or an accident at work, but not when it provided legal services on an unrelated matter. If trade unions wish to provide reserved legal services unrelated to main functions, they should be able to do so only by obtaining an alternative business structure licence under part 5. The inherent weakness of the decision to exempt trade unions is highlighted by the Minister's letter to me of 21 June:

"If a union extends services to anyone other than members, it has to be regulated as an entity and licensed as an ABS body. But the key to members' protection is, as I took pains to explain at Committee, that reserved activities still have to be carried out by authorised lawyers, who still have to be regulated by approved regulators. If a regulator concludes that the public interest requires that lawyers in these situations work in a regulated environment it will be able to make appropriate rules. This will of course be subject to the Legal Services Board being satisfied that those rules are proportionate to the problem and consistent with the regulatory objectives. I made this clear in the debate and I am happy to confirm it now. If the circumstances warrant it, a regulator such as the Law Society will be able to introduce a rule that allows a solicitor employed by a union to practise only through a regulated entity. Alternatively, it will be able to limit the services that lawyers are allowed to provide while working within a union."

**Mr. Kevan Jones** *rose—*

**Mr. Djanogly:** May I just finish this point, as it gets more interesting?

That means that a regulator such as the Law Society could determine, if the public interest requires it, that a trade union should be subject to the ABS licensing regime in certain circumstances. The exceptionally wide-ranging nature of the trade unions' exemption is highlighted by the fact that the Minister went on to say:

"I must clarify that this does not necessarily mean that rules could force any particular trade union to opt in to the ABS framework or to create a subsidiary that operates under the ABS framework. Under Part 5 a body is licensed to carry on reserved legal activities. But an independent trade union that carries out services as described in the new clause 15 provision would be considered not to be carrying out a reserved legal activity. Similarly, a subsidiary body of the union may find that it falls under clause 15(4), which would mean that it would not be carrying out reserved legal activities either. In those circumstances there would be neither an obligation to be licensed nor a possibility of a licence, because there is no reserved legal activity for which to provide a licence.

**Mr. Jones:** I am sorry that, even after lengthy discussion in Committee during which I explained to the hon. Gentleman the way in which legal services are provided by trade unions, we should return to this old chestnut. Can I clarify the position that he has just set out? If a trade union employs a solicitor directly and they are legally qualified, his opening statement that trade unions will not be regulated is not true. As a qualified solicitor, that individual would be regulated under the existing law and, under the proposals, as a member of the legal profession.

**Mr. Djanogly:** The problem with that argument is that in the rest of the Bill, it has been decided that entities should be regulated, so there is a carve-out from the very principles that the Government introduced in the Bill. Let us face it: the provision was not in the Bill when it was first introduced in Parliament—it was included after union lobbying. To give an example, if a trade union provides through its in-house legal team litigation and advocacy services relating to occupational disease cases, and evidence comes to light that a union employee has been acting improperly, it may not be clear whether the in-house lawyers providing the litigation and advocacy services were aware of, or complicit in, any improper action. If the SRA regulates only the in-house solicitor, and not the union, the SRA's investigatory powers in seeking information from union officials and interviewing others to find out whether a solicitor was involved would be limited. Any investigation would be compromised, and it may not be possible for the SRA to determine appropriate responsibility and take the relevant disciplinary or regulatory action.

**Mr. Jones:** As someone who used to run a legal department for a trade union, may I tell the hon. Gentleman what happened on my watch when bad advice was given, not by a solicitor, but by a trade union official? The individual sued the trade union because they had been given bad legal advice, and it is still open to people to take any trade union to court for any advice that they are given. In that respect unions are more open than any other public body I know of.

6.45 pm

**Mr. Djanogly:** The hon. Gentleman should be concerned that the union is not regulated. In previous debates on the Bill—and I am pleased that he did not repeat this—it was said that the lawyer should take the

hit. That is quite right. If a lawyer has provided bad advice, they should be regulated and take the rap from the SRA. If the union just gets rid of that solicitor and carries on doing the things that it should not be doing with the new solicitor, because it is not regulated, that is unacceptable.

**Mr. Jones** *rose—*

**Mr. Djanogly:** I shall not give way, as we have covered the point pretty well.

I simply do not understand how the wide-ranging exemption for trade unions can be regarded as acceptable. It could lead to a situation whereby a union provides conveyancing services, for example, to its members and the Law Society believes that it requires further regulation. As the Minister pointed out, further regulation under the ABS regime to which other legal service providers are subject would not be a possibility. There is no justification for exempting trade unions completely from the ABS licensing regime when providing services to their members, particularly as "members" is such a loose term, the definition of which is completely at the discretion of the trade unions. Perhaps, as the Law Society suggested, a solution can be found by limiting the exemption to services that are ancillary to the unions' main function of representing employees in relation to their employer, and therefore ensuring that lay advice on employment issues is not caught, but that would still drive a coach and horses through the principle of the Bill that applies to all other entities.

We can see that that principle applies to all entities from the concerns set out to me in a letter of 26 June from the Medical Protection Society. MPS is a mutual, not-for-profit organisation that has offered expert medico-legal support and advice, as well as discretionary indemnity for civil claims to doctors, dentists and other health care professionals on matters arising from their professional practice, for more than 100 years. It stated:

> "The Legal Services Bill makes no special provisions for membership organisations such as MPS. Instead such organisations would be required to set up Alternative Business Structures. We believe that this approach is disproportionate to the level of risk presented by membership organisations...We believe that there is a clear case for MPS to be classed as one of the bodies eligible to apply for special licences in which the statutory requirements would be waived or otherwise modified."

That point highlights the unjustified special treatment of trade unions and the unsatisfactory nature of the legislation in relation to genuine not-for-profit organisations such as MPS. Perhaps the Minster can enlighten us as to why groups such as MPS will be forced to go through the full ABS licensing process while trade unions will not be regulated at all.

Amendment No. 152, which was tabled by the Liberal Democrats, addresses that anomaly by giving not-for-profit bodies the exemption enjoyed by unions. That may be fairer to not-for-profit bodies but, as the hon. Member for Birmingham, Yardley (John Hemming) said, it may be a hammer to crack a nut, and it would still be inconsistent with the basic thinking behind the Bill. It would certainly not improve the position for consumers. The Government's position is as confused as it is unacceptable. The matter needs a thoróugh rethink, and our amendments provide an opportunity for that to happen. On that basis, we shall urge the House to divide on amendment No. 35, which removes the exemption, and I hope that hon. Members will support it.

**Mr. Kevan Jones:** I oppose the amendment tabled by the hon. Member for Huntingdon (Mr. Djanogly) on trade unions.

I thought that the hon. Gentleman was a clever chap, and that he might have learned something from our debates in Committee. If he had at least listened to them he would understand how trade union legal services are provided. He made a statement in *The Times* this morning—and he repeated it in our debate—that the Bill will mean that trade unions will not be regulated at all. That is just not true, so I have to go through the educational process with him again and repeat what I said in Committee. Trade unions are a key institution in offering legal services to vast numbers of people. They have secured justice for mineworkers, as we have heard, and from my previous job, I know that without them many people would not have gained justice or cheap access to legal services.

Trade unions provide legal services in various ways. Most trade unions employ a panel of solicitors who are accessible to members. Those solicitors are legally qualified and fall within the ambit of the Bill, so anything that they do will be covered by the regulation that we are putting in place. It is not the case that trade union legal services offered in that way are not regulated. Another way in which trade unions provide legal services, which was mentioned by the hon. Member for Birmingham, Yardley (John Hemming), is by providing advice and guidance on a lay basis on, for example, employment issues in the workplace.

If the hon. Member for Huntingdon is suggesting that regulation should apply to any advice given by any shop steward on the shop floor, that would be unenforceable. The hon. Gentleman gives the impression that there is no recourse for people who are not satisfied with the advice that they get from a trade union lay member or a full-time official. Again, that is not the case. I shall cite a couple of examples. First, there is the trade union certification officer. I have some criticisms about the system's lack of teeth, having dealt with such officers recently in connection with the Durham National Union of Mineworkers, but they are there to deal with members' complaints.

If someone is given bad advice by a trade union lay official or full-time official—a situation that I encountered when I was a trade union legal officer—they can sue, as happened on at least three occasions on my watch.

Another aspect to consider is lay representation on industrial tribunals. People ask what recourse is available to someone who is given bad advice in that situation. Most cases are handled by solicitors, and the client can use the Legal Complaints Service procedure. On one occasion that I know about, when someone was given very bad advice, the individual took legal action against the trade union and was successful.

The hon. Member for Huntingdon does not understand how trade union legal services operate. The amendment seeks to extend regulation right down into the relationship between the shop steward and the member on the shop floor. First, that would not be practical. Secondly, it would not be good regulation.

*[Mr. Kevan Jones]*

On the other point that the hon. Gentleman makes, I feel a little guilty. I think I may have set off his train of thought with my examples about the NUM in Durham, which does not present a happy scenario. The Durham NUM employed Thompsons Solicitors to deal with miners' compensation cases and charged a 7.5 per cent. levy, which was given to the Durham NUM. According to the hon. Member for Huntingdon, those people had no recourse by which to get the money back. Yes, they do. I have lost count of the number of individuals for whom we have got money back by making a complaint to the Legal Complaints Service about Thompsons. In the early days Thompsons resisted giving the money back, but is now doing so voluntarily. That is a case of the union employing a regulated solicitor.

The hon. Gentleman mentioned a problem related to associate membership, which may also stem from the Durham NUM case. People were asked to join the NUM as associate members. They did not have full legal rights as NUM members, but they were accessing legal services to take forward their cases in the mineworkers' compensation scheme. That was a unique case. The complaints of those individuals were dealt with—very well, in my opinion—by the Legal Complaints Service. It made no difference whether they were full members of a trade union or associate members.

To suggest that trade unions will start offering legal services such as conveyancing, which they do now, by giving lay advice, is nonsense. Most trade unions offer legal services such as conveyancing and will-writing via the panel of solicitors which they retain or to which they pass work. The hon. Gentleman says that the Bill will ensure that trade union legal services are not regulated in any way—far from it. They are covered by existing legislation applying to trade unions and fall within the ambit of the Bill.

**Mr. Djanogly:** Does the hon. Gentleman think that unions will be adequately regulated?

**Mr. Jones:** If the hon. Gentleman is referring to the broader issue concerning the trade union movement—

**Mr. Djanogly:** Yes or no?

**Mr. Jones:** There is not a yes or no answer. If the hon. Gentleman took the time to understand the subject that he talks about, it might help. I thought that we covered much of the argument in Committee. I am confident that the legal services are properly regulated within the terms of the Bill. Beefing up the powers of the certification officer is a different matter. I would not try to do that by seeking to destroy trade unions, like the hon. Gentleman. I would try to ensure that individual trade union members are protected in their relationships with the trade union. That is the fundamental difference.

It has been stated that trade union legal services are not regulated. That is not the case. I urge the House to resist the amendment.

**Mr. Heath:** I begin by congratulating my hon. Friend the Member for Birmingham, Yardley (John Hemming) on his amendment, which is the lead amendment in the group. He recognises that in the exemption set out by the Government, there is an issue that needs to be addressed. He has already said that his drafting does not necessarily cover all the points that we wish to raise. He is right, but that does not reduce the effectiveness of his arguments. This is an appropriate time to say how much I appreciate the work that he and my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) did in Committee and on previous stages of the Bill.

There is a serious argument to be had about the very wide exemption proposed by the Government for trade unions, and only trade unions, among not-for-profit entities. My hon. Friend the Member for Birmingham, Yardley spoke about mutuals and others. The argument does not revolve around the specific topics identified by the hon. Member for North Durham (Mr. Jones).

The hon. Gentleman is right to say that it is not true that in the provision of legal services trade unions will be unregulated. That is transparently not the case. In support of his contention that they are regulated, he argues, first, that the individual practitioners are regulated by their professional bodies. Yes, that is correct. The hon. Gentleman argues, secondly, that trade unions are subject to litigation instigated by those to whom they owe a duty of care in the provision of those services. Yes, again, that is true, but both arguments are true of any other body regulated by the Bill.

If it is argued that bodies—alternative business structures or others—require additional regulation beyond—*[Interruption.]* The hon. Gentleman says they do not. It is a rather worrying development for the Minister if the view from the Back Benches is that alternative business structures need no regulation beyond the professional regulation of individual practitioners and the threat of litigation in the case of a failure of duty to care. I do not believe that that is what Ministers are suggesting in the context of the Bill.

**Mr. Kidney:** My hon. Friend the Member for North Durham (Mr. Jones) gave one other reason why trade unions are different, and the hon. Gentleman has missed it out. Trade unions are regulated as trade unions. The relations between a union and its members are regulated; my hon. Friend mentioned the certification officer.

Does the hon. Gentleman recognise that the Joint Committee had concerns about regulating the trade unions as entities under the regime that we are discussing because of the existing regulations to which the unions are already subject?

7 pm

**Mr. Heath:** Yes; the hon. Gentleman has pre-empted my third point. The hon. Member for North Durham is absolutely correct about there being a separate area of regulation for trade unions via certification. He argued that that is sometimes insufficiently strong and robust to do its job. Nevertheless, it marks trade unions out as different from a commercial structure doing the same thing.

Clearly, trade unions—and, incidentally, some other bodies—do types of work that are not appropriate for the sort of regulation provided by the Bill. I am more than happy to consider that issue. I am thinking of work done on behalf of trade union members in pursuit of the core business of the trade union. I entirely agree that regulation that got down to the level of shop steward intervention or advice would not be appropriate. If that is the mischief that the Government are trying to remedy, I am with them. That is right.

**Mr. Kidney:** Like the hon. Member for Huntingdon (Mr. Djanogly), I have read the Law Society brief. It says that the answer is to limit the exemption to the

"provision of legal services ancillary or incidental to the trade unions' main employment relations functions."

That is precisely what the hon. Member for Somerton and Frome (Mr. Heath) has just said. Do any of the amendments do that?

**Mr. Heath:** My candid view is that they do not. That is why I hope that other wording that does the job will emerge as part of our consideration subsequent to this debate and in another place. There is some common ground—certainly between the hon. Gentleman and me; I am not sure about others—on what is required. We need something in respect of not only trade unions but the other bodies that we have mentioned.

With the honourable exception of the amendment tabled by my hon. Friend the Member for Birmingham, Yardley, the amendments have the deficiency of not dealing with the other mutual bodies that provide services. There should be provision for a kick-in of regulation when the trade union or other body is effectively competing in the marketplace—albeit a limited one, given its membership or associate membership—for the provision of general legal services. I am talking about when there is a legal practice that happens to be within a trade union or mutual context, rather than about the provision of the sort of services that it is reasonable to assume would be provided for members in the pursuit of the objectives of a trade union or other mutual organisation.

**Mr. Jones:** I agree with the hon. Gentleman. Does he agree that some such issues are caught by the claims-handling regulations? I understand that Durham NUM has now registered with the claims-handling authority as a claims handler.

**Mr. Heath:** It is interesting; yes, the hon. Gentleman is right in that particular instance. As he knows, I also come from a mining constituency and have also had to deal with the sort of cases that he and the hon. Member for Bassetlaw (John Mann) have had to deal with. I know perfectly well how much the current system has failed individuals who deserve better.

It is right that the issue should be addressed. However, I do not think that the Minister's blanket exemption fits the bill. It is entirely possible that, with careful drafting, we can arrive at a form of words that exempts the core activities of a trade union but catches activities that fall into the category of general legal practice provided by lawyers who happen to be employed or subject to the supervision of a trade union. Such wording would apply to other mutual bodies as well as trade unions, so that they were put on an equal footing. There would then be the proverbial level playing field for all concerned.

I look to the Minister to provide assurances that she will explore such issues before the Bill goes to the other place. I hope that a formulation appears that satisfies the conflicting requirements. If we can do that, we will have achieved all our objectives. I am not persuaded by the exemption before us; it would be better if it were taken away and we looked at it again, and if it were considered again at the other end of the corridor. Hopefully, there would be a much better formulation at the end of the day.

I invite my hon. Friend the Member for Birmingham, Yardley to withdraw his amendment. Despite its good intentions and the excellence of much of its content, it, too, does not fit the bill as I have set it out.

**John Mann:** To varying degrees, there is support on both sides of the House for an exemption for trade unions. I was pleased to see the movement, which *Hansard* will accurately record, in the speech made by the hon. Member for Huntingdon (Mr. Djanogly). That movement is welcome.

I wish not to repeat the informed comments made in the debate, but merely to pick up on the one inaccuracy in it—an inaccuracy also trailed in *The Times* today. Presumably to try to create a basis for suggesting that there needs to be a vote, when clearly there need not be, the hon. Gentleman attempts to jump on the coat tails of the scandal of double-charging solicitors and miners' compensation. To make the record clear and assist in the hon. Gentleman's and the House's understanding of the matter, I should say that the four unions that benefited from the double-charging have all done so via solicitors. None has done so through any other mechanisms, except the Union of Democratic Mineworkers, which has used a claims-handling company called Vendside Ltd. That company is not and never could be regulated by the Solicitors Regulation Authority under any of the options before us.

Justice will be done only through legal action in the civil courts. I feel confident that a large number of retired miners and miners' widows will seek a remedy through the civil courts. If there is a weakness, it is in the claims-handling regulator's apparent lack of teeth in dealing with such claims handlers.

However, when it comes to those who have gone through solicitors, the Solicitors Disciplinary Tribunal and its misconduct hearings in the next four weeks demonstrate not only that there is regulation through the Law Society, but that that regulation is effective. Later this month, the first of the UDM solicitors will be in front of the tribunal on misconduct charges. Wake Smith and Beresford's solicitors both go this month, and a series of others will follow them. In November, the solicitors for the Yorkshire NUM, Raley's, which, the House may recall, double-charged not only miners but their widows, against the rulebook, will go in front of the disciplinary tribunal.

People using the existing systems have been able to get their money back and, when their solicitors have fought, have got compensation on top. There are many more to go. Just this weekend, I discovered that a

*[John Mann]*

management union called the Colliery Officials and Staff Association had been using a solicitors firm called Browells. I have had no cause to take issue with the firm until now; it was collecting 4 per cent. for COSA from one of my constituents. It is not entitled to do so.

The remedy is straightforward. That cosy relationship has been exposed. If parts of the NUM, the UDM or COSA, via Browells, and if the National Association of Colliery Overmen, Deputies and Shotfirers in south Wales—one of the unions that has profited most via its solicitors—choose to profit through their solicitors, the remedies exist. It is disingenuous for the hon. Member for Huntingdon to throw such issues into the debate when he knows full well that they have nothing to do with it. I suggest that in future he should stick to the facts instead of embellishing his case in a most unbecoming manner.

**Tony Lloyd** (Manchester, Central) (Lab): I begin by pointing out to the House that I had to miss the earlier part of the debate because I had to go to this evening's meeting of the parliamentary Labour party.

My hon. Friend the Member for Bassetlaw (John Mann) touched on an important point. A very badly written article that appeared in *The Times* this morning seemed to imply that the amendments were something to do with the miners' compensation scheme, which, in reality, is completely irrelevant to the impact of the Bill. The hon. Member for Huntingdon (Mr. Djanogly) shakes his head. I am happy to give way if he can demonstrate how they are connected. He chooses not to do that, which is interesting in itself because it begins to get us to the whole Conservative—

**Mr. Djanogly:** The hon. Gentleman is right inasmuch as the miners' compensation scheme refers to incidents that happened before the Bill, so I suppose that he could say it is irrelevant. However, the issues involved in the scheme are directly relevant to the issues in the Bill, as I made clear—if he had been here for my earlier remarks, he would understand that.

**Tony Lloyd:** The hon. Gentleman simply digs a bigger hole for himself. The simple truth is that, as my hon. Friends the Members for Bassetlaw and for North Durham (Mr. Jones) demonstrated, there was a remedy, which has been sought and taken in some cases. To that extent, there was no relevance in the charge made by the hon. Member for Huntingdon. I hope he will accept that that leads us to the view that this is rather more a splenetic attack on trade unions than a considered assault on real events on the basis of which a case could be made for the need for further regulation of trade unions. Neither the hon. Gentleman, in the remarks of his that I heard, nor the hon. Member for Somerton and Frome (Mr. Heath) gave us any examples of where there is a problem caused by representatives of trade unions—shop stewards or others—that would be remedied were the amendments to be accepted. That is a very important point. I hope that my hon. Friend the Minister takes this strongly on board, because it would be absurd to move unions along a track that is not necessary at this time.

The majority of trade unions now subcontract out, to solicitors or elsewhere, the provision of their legal services, so they would be beyond the impact of the Bill. A small number of trade unions still maintain an in-house professional legal service but, as my hon. Friends have pointed out, such services are regulated in any case. We would end up with the absurd situation whereby if two shop stewards from two different unions were advising members of their union in the same workplace on the same series of events, the union that contracted out its legal services would be able to do that without any concern whatsoever, while the union that did not would find itself in a much more restricted position and would be unable to provide the same service to its members. It would be absurd to have that difference in standards between trade unions.

Many words have already been spoken about this. Let me conclude by saying that it will be viewed as scandalous by ordinary trade unionists throughout the country that trade unions are being attacked not because of any real offence that has existed in the past and would be remedied by these amendments but because, once again, the Opposition parties are combining to attack free trade unions in our society. That is very regrettable, and I hope that it will be registered by the public. I notice that the Opposition have not managed to assemble enormous support for this on their own Benches; I hope that that, too, will register with the public. On that basis, I hope that the House will resist the amendments as being unworthy and irrelevant.

**Bridget Prentice:** This has been a very interesting debate, and it is not surprising that it has divided us in this way. As my hon. Friend the Member for Manchester, Central (Tony Lloyd) said, perhaps some Opposition Members have not yet come into the real world and understood the role of trade unions within it.

I shall begin with the amendment tabled by the hon. Member for Birmingham, Yardley (John Hemming) and explain why I do not think that it is necessary or desirable. Yes indeed, special provision has been made for trade unions, and it might be tempting to make similar provision for other membership bodies, but it is not necessary and there would be risks in going down that road.

7.15 pm

Let me deal first with the question of whether the provision is necessary. The reason why we have made special provision for trade unions, as we were at pains to explain in Committee, and as my hon. Friends have said this evening, is to deal with the special position that they are in. A lot of valuable advice is given by non-lawyer union staff to their fellow members. If unions had to be regulated as entities, some of them would be unable to put into position the necessary arrangements and would therefore have to stop their officials giving that advice. The amendments agreed in Committee ensure that there is absolutely no doubt about the unions' position. They give clarity by setting out that services provided to union members are not being provided to the rest of the public.

When I explained that in Committee, I mentioned that other types of membership organisation can also

benefit from the provisions in clause 15. To remind the House, that clause provides that where a body's employees are carrying out reserved legal activities, the body itself is not doing so if the provision of services to the public or to a section of the public is not part of its business. A membership organisation whose employees are providing services only to members will generally fall within that definition. If there is any doubt about its position, it can seek an order under subsection (7), which defines what is or is not a section of the public.

By their very nature, trade unions are unlike other organisations, and I do not consider that there is a case for making a provision such as subsection (6) in respect of other bodies. Even if I were persuaded of that, there are potential problems with amendment No. 152. For example, it singles out bodies whose members are engaged in a particular trade or profession. That is, of course, only one type of membership body. In Committee we discussed others, including motoring organisations and even the Hospital Saturday Fund, which was mentioned by the hon. Member for North Southwark and Bermondsey (Simon Hughes). If the House were to agree to the amendment, those bodies would still not be subject to specific provision and would still need to use the general provision in subsection (4) and, if necessary, subsection (7). That might work, but it would be unnecessary and would create risks for the clause 15 exemptions. I find it hard to see why we should make special provision for trade bodies and not for others.

There are other problems. None of those types of body has the special circumstances of trade unions. If we make special provision for one class of bodies, we risk making life harder for others. That could lead to an increase in attempts to abuse the system, as unscrupulous businesses tried to badge themselves as representing members of a trade or profession. Although the legal services board would eventually root them out, there would be a period of time when consumers could suffer. In addition, some might conclude in future that because Parliament had given treatment to one group of people, it must by implication have intended that other groups should not get access to equivalent treatment. That could make it harder for genuine cases, particularly ones which we are unable to anticipate at the moment, including those who may need to secure an exemption under subsection (7). I do not think that that is what the hon. Member for Birmingham, Yardley would want to happen. I assure the House that the order-making power under subsection (7) is available to any category of membership body—to make that absolutely clear, should there be any doubt. Without better evidence that other groups need different treatment, I see no reason why we should provide it and risk undesirable consequences in doing so. On that basis, I hope that the hon. Gentleman will feel able to withdraw his amendment.

The other amendments in this group are clearly intended to reverse the trade union amendments agreed in Committee. We believed that the amendments to clause 15 were necessary in order to give effect to the policy set out by my noble Friend Lord Falconer in the other place. It is unfair for the hon. Member for Huntingdon (Mr. Djanogly) to suggest that they were sneaked in during Committee sittings. The then Lord Chancellor made it absolutely clear in the other place that the amendments would be introduced. I am sorry that we were not able to bring them forward sooner, but it is right that we have introduced them.

It is really important that we do not inhibit the trade unions' scope to work for their members. They provide a socially useful service to millions of people—one that helps to foster good labour relations while helping union members to stand up for their rights. It seems rather sad that I have to spell that out, but it is obvious that Opposition Members are either deliberately or naively unaware of the important role that trade unions play in our society. To require unions to be regulated as entities and licensed as ABS bodies in all circumstances could cause problems, particularly for the smaller unions. They might have to shut down their legal services altogether, with the result that access to justice, which I know is at the forefront of the minds of Opposition Members, would be reduced, not improved.

**Mr. Djanogly:** The Minister discussed how alternative business structures would apply to trademark attorneys and patent attorneys—small bodies that provide a good service quite separate from mutual societies. They will all have to be licensed and regulated because the Clementi vision was all-encompassing. Why are the Government carving out trade unions from the process?

**Bridget Prentice:** To be fair to the hon. Gentleman, I have already answered that question with regard to the different role that trade unions play in our society.

In Committee I set out the limitations of the Government amendments. First, they apply only where a union is providing services to its members and others with similar rights. If it expands into more commercial work, it will be regulated as an entity and it will have to be licensed. In other words, the clause 15 exemption would not apply. Secondly, all reserved services still have to be provided by qualified lawyers, subject to the regulation of bodies such as the Law Society, and my hon. Friends have already made that clear. Regulators will be able to change their rules if problems arise so that lawyers could effectively be prevented from working within bodies that are not regulated, or they could be limited in the services that they provide.

Such rules could not force trade unions to become ABS bodies in order to get round the problem. Clause 15 means that they are not carrying out reserved legal activities, which means that they do not need to be licensed under part 5 of the Bill. A regulator's rules cannot change that. There is, none the less, some scope for regulators to constrain lawyers working in environments where they have cause for concern.

If the Opposition amendments are passed today, they will not guarantee that trade unions will be regulated as entities and licensed as ABSs. The amendments would only remove a clause that confirms an exemption to which trade unions already have access in certain circumstances. To explain, clause 15 contains a general rule about employed lawyers. It provides that, where an employed lawyer is carrying out reserved activities, the employer is not considered to be carrying out such activities for the purposes of regulation under the Bill as long as the provision of reserved services to the public or to a section of the

*[Bridget Prentice]*

public is not part of the employer's business. In other words, if a body can establish that its employed lawyers are carrying out a reserved legal activity for a restricted group, such as its membership, and that that service is not part of the body's business, the body will not be considered under the Bill to be carrying out a reserved legal activity. Consequently, it will not need to be regulated, although the individual lawyer will. As my hon. Friend the Member for Stafford (Mr. Kidney) pointed out, individual lawyers will be regulated by the Law Society, or another appropriate professional body. I hope that the Opposition are content with that in principle, since they have not tabled amendments about it.

The purpose of the provisions is to enable employed lawyers to continue to do the work that they currently do for restricted groups in limited circumstances. It allows them, for example, to work for companies connected with their employers, and it allows in-house lawyers to offer pro bono services without their employers needing to be regulated, providing, of course, that the company employing them is not actually in the business of legal services. A telecommunications company, for example, might want to allow its in-house lawyers to provide a pro bono service from time to time. That in-house lawyer would be fully regulated, but the company would not have to be regulated as an ABS by virtue of the limited service provided by the in-house lawyer. The same provision can apply to trade unions. A union that is providing services only to its members could fit into that definition. If there is any doubt about whether its membership counts as a section of the public, subsection (7) has a route for the Lord Chancellor to make an order clarifying it, on the board's recommendation.

Subsection (6), which we introduced in Committee, makes the position of unions clear from the start. It provides that persons receiving services by virtue of union membership do not constitute a section of the public. That ensures that unions do not have to be regulated as entities, which in turn ensures that the activities of lay advisers within unions are not regulated, in line with the policy we set out in the other place. Taking out subsection (6) would not necessarily prevent that from happening. Unions could fall under subsection (4), and in cases of uncertainty they would be able to seek an order under subsection (7). The board would be able to recommend an order for a specific union or for classes of activities by unions. If the Opposition believe that the amendments can force unions to be regulated as entities, they are wrong. The Government have considered the position carefully and think that it is right to put trade unions outside the scope of regulation. The safeguards I have outlined will ensure that trade union members are protected.

I understand that the Opposition want to reverse all of the changes agreed in Committee. That includes the restrictions that we added that are available only to independent trade unions as defined in the Trade Union and Labour Relations (Consolidation) Act 1992. We did that because we wanted to match the Bill's provisions to the current claims management regime, in which only independent unions are able to benefit from the exemption. Reversing those amendments would have an effect that went beyond clause 15. It would allow any trade union, independent or otherwise, to benefit from the exemptions and modifications in part 5, and I cannot believe that the Opposition want to do that.

Finally, there was concern in Committee that we were trying to solve a problem that did not exist: that no unions provide legal services directly to their members. I assure the House that that is not the case. A small number of unions do work for their members. Some of them are quite specialised—in the media professions, for example, and education—and we want to ensure that they are still able to provide those services. However, we also need to look at the underlying principles and our desire to make legal services more widely available. Even if only a few unions currently provide services directly, we want to set up an environment where others can do so if they feel that it is the most cost-effective way to help their membership. Clause 15 enables that, and I urge the House to support it and reject the amendments.

**John Hemming:** Although I am not entirely persuaded by the Under-Secretary, I should like to ask leave to withdraw the amendment—*[Interruption.]* Yes, it is part of my leadership bid. The issue remains to be resolved in the other place, but a subtle approach is needed to deal with all the aspects, including the partial exemption of the trade unions. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Amendment proposed:* No. 35, in page 7, line 20, leave out subsection (6).—*[Mr. Djanogly.]*

*Question put,* That the amendment be made:—

*The House proceeded to a Division.*

*No Member being willing to act as Teller for the Ayes,* MADAM DEPUTY SPEAKER *declared that the Noes had it.*

**Clause 19**

EXEMPT PERSONS

*Amendment made:* No. 81, in page 9, line 28, leave out from 'who' to end of line 29 and insert

', for the purposes of carrying on the relevant activity, is an exempt person by virtue of—

(a) Schedule 3 (exempt persons), or

(b) paragraph 13 or 18 of Schedule 5 (additional categories of exempt persons during transitional period).'.—*[Bridget Prentice.]*

**Clause 21**

REGULATORY ARRANGEMENTS

*Amendment made:* No. 82, in page 11, line 42, leave out '(other than an individual)'.—*[Bridget Prentice.]*

**Clause 29**

PROHIBITION ON THE BOARD INTERFERING WITH REPRESENTATIVE FUNCTIONS

*Amendment made:* No. 83, in page 14, line 37, leave out 'and' and insert 'or'.—*[Bridget Prentice.]*

## Clause 64

MODIFICATION OF THE BOARD'S FUNCTIONS UNDER SECTION 62(1)(B)

*Amendment made:* No. 84, in page 36, line 25, at end insert—

'( ) to make regulations or rules providing for appeals to the High Court or another body against decisions made by the Board in its capacity as an approved regulator (including regulations or rules providing for a decision on such an appeal to be final and for orders as to payment of costs).'.—*[Bridget Prentice.]*

## Schedule 1

THE LEGAL SERVICES BOARD

*Amendment proposed*: No. 24, in page 120, line 6, at end insert

'with the concurrence of the Lord Chief Justice'.—*[Mr. Djanogly.]*

*Question put,* That the amendment be made:—

*The House divided:* Ayes 171, Noes 267.

**Division No. 209]** **[7.36 pm**

### AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cameron, rh Mr. David
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cox, Mr. Geoffrey
Davies, Philip
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Duddridge, James
Duncan Smith, rh Mr. Iain
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Mr. Christopher
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Hemming, John
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horwood, Martin
Howarth, David
Huhne, Chris
Hunter, Mark
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Paice, Mr. James
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Simmonds, Mark
Smith, Sir Robert
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Wright, Jeremy
Yeo, Mr. Tim

**Tellers for the Ayes:**
**Mr. Nick Hurd and**
**Mr. John Baron**

### NOES

Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry

Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
McCabe, Steve
McFadden, Mr. Pat
McCafferty, Chris
McFall, rh John
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McKechin, Ann
McKenna, Rosemary
McDonagh, Siobhain
McDonnell, John
McGovern, Mr. Jim
McIsaac, Shona
Mactaggart, Fiona
McGuire, Mrs. Anne
McNulty, rh Mr. Tony
McAvoy, rh Mr. Thomas
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Riordan, Mrs. Linda
Robertson, John
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Straw, rh Mr. Jack
Stringer, Graham
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

**Tellers for the Noes:**
**Mr. Sadiq Khan and Liz Blackman**

*Question accordingly negatived.*

*Amendment made:* No. 102, in page 120, line 11, at end insert—

'( ) Before appointing an ordinary member, the Lord Chancellor must consult the Lord Chief Justice.'.—*[Mr. Wills.]*

*Amendment proposed:* No. 75, in page 120, line 17, leave out 'first'.—*[Mr. Kevan Jones.]*

*Question put,* That the amendment be made:—

*The House divided:* Ayes 304, Noes 129.

**Division No. 210]** **[7.49 pm**

**AYES**

Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Beith, rh Mr. Alan
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Bradshaw, Mr. Ben
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, Mr. Jeremy

Bruce, rh Malcolm
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Davies, Mr. Dai
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Eagle, Maria
Efford, Clive
Elman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Featherstone, Lynne
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Godsiff, Mr. Roger
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Iddon, Dr. Brian
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
McCabe, Steve
McFadden, Mr. Pat
McCafferty, Chris
McFall, rh John
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McKechin, Ann
McKenna, Rosemary
McDonagh, Siobhain
McDonnell, John
McGovern, Mr. Jim
McIsaac, Shona
Mactaggart, Fiona
McGuire, Mrs. Anne
McNulty, rh Mr. Tony
McAvoy, rh Mr. Thomas
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Pugh, Dr. John
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Riordan, Mrs. Linda
Robertson, John
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, Sir Robert
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Straw, rh Mr. Jack
Stringer, Graham
Stunell, Andrew
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Taylor, Dr. Richard
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

**Tellers for the Ayes:**
**Mr. Sadiq Khan and Liz Blackman**

**NOES**

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cox, Mr. Geoffrey
Davies, Philip
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Duddridge, James
Duncan Smith, rh Mr. Iain
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Mr. Christopher
Garnier, Mr. Edward
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Hunt, Mr. Jeremy
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Mackay, rh Mr. Andrew
Maclean, rh David
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Paice, Mr. James
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Simmonds, Mark
Simpson, Mr. Keith
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Wright, Jeremy
Yeo, Mr. Tim

**Tellers for the Noes:**
**Mr. Nick Hurd and**
**Mr. John Baron**

*Question accordingly agreed to.*

*Amendments made:* No. 104, in page 120, line 18, leave out 'any subsequent' and insert 'the'.

No. 105, in page 121, line 7, after 'conveyancer;' insert—

'( ) granted a certificate issued by the Institute of Legal Executives authorising the person to practise as a legal executive;

( ) a registered patent attorney, within the meaning given by section 275(1) of the Copyright, Designs and Patents Act 1988 (c. 48);

( ) a registered trade mark attorney, within the meaning of the Trade Marks Act 1994 (c. 26);'.

No. 106, in page 122, line 19, leave out from 'member' to end of line 20 and insert

'under sub-paragraph (1)(b), the Lord Chancellor must consult—

(a) the Lord Chief Justice, and

(b) if the ordinary member is not the chairman, the chairman.'.—*[Bridget Prentice.]*

**New Clause 6**

LICENSING AUTHORITY

'(1) A licensing authority may apply to the Board to determine the status of a recognised professional body if it is in any doubt as to whether that professional body meets the criteria set down in this Act.

(2) A licensing authority may determine that a body "B", which is prima facie "low risk" under section 108(2)(b) (non-authorised managers are all members of recognised professional bodies), should not be treated as low risk if it considers the services to be offered by B are inconsistent with the "professional principles" set out in section 1(3).

(3) Any decision under subsection (2) will follow the procedural requirements set out in Schedule 11(2) and (3).'.—*[Mr. Djanogly.]*

*Brought up, and read the First time.*

**Mr. Djanogly:** I beg to move, That the clause be read a Second time.

**Mr. Deputy Speaker (Sir Michael Lord):** With this it will be convenient to discuss the following amendments:

No. 65, in clause 71, page 41, line 30, after first 'activities', insert '(other than notarial activities)'.

Government amendment No. 85.

No. 156, in clause 83, page 49, line 13, at end insert—

'(da) appropriate provisions reinforcing the independence and integrity of the legal professionals concerned,'.

Government amendment No. 86.

No. 148, in clause 108, page 59, line 21, leave out subsection (2) and insert—

'(2) The management condition is that—

(a) the number of managers of the body who are non-authorised persons is less than 25 per cent. of the total number of managers; or

(b) the managers who are non-authorised individuals who provide services directly or indirectly to clients within their own professional training, are members of one or more recognised professional bodies and do not account for more than 50 per cent. on a headcount of managers.'.

Government amendment No. 87

No. 149, in page 59, line 23, leave out subsection (3) and insert—

'(3) The ownership condition for B satisfying the management condition set out in subsection 2(a) is that—

(a) only managers of B can hold shares or exercise voting rights or control unless they are authorised persons, and

(b) the proportion of shares in B held by persons who are non-authorised managers is less than 25 per cent., and

(c) the proportion of the voting rights in B which persons who are non-authorised managers are entitled to exercise, or control the exercise of, is than 25 per cent., and

(d) if B has a parent undertaking ("P")—

(i) the proportion of shares in P held by persons who are non-authorised managers is less than 25 per cent., and

(ii) the proportion of the voting rights in P which non-authorised non managers are entitled to exercise, or control the exercise of, is less than 25 per cent.'.

Government amendments Nos. 88 to 92.

No. 150, in page 59, line 33, at end insert—

'(3A) The ownership condition for B satisfying the management condition set out in subsection 2(b) is that shares and voting rights in B—

(a) are only held by authorised persons, or managers who are members of recognised professional bodies, and

(b) the percentage of shares held or proportion of voting rights exercised by non-authorised managers does not account for more than 50 per cent.'.

No. 151, in page 59, line 36, at end insert—

'(4A) For the purposes of this section "recognised professional body" means a body (other than an approved regulator), incorporated by Royal Charter, and which makes provision for—

(a) testing the competence of those seeking admission to membership of the body as a condition for such admission; and

(b) imposing and maintaining professional and ethical standards for its members, as well as imposing sanctions for non-compliance with those standards.

"member" of a recognised professional body means a member or member firm as defined by the appropriate rules of such a body.'.

8 pm

**Mr. Djanogly:** In moving new clause 6, I initially note that there is no doubt that the alternative business structure regime will provide a huge set of possibilities for the future provision of legal services and those that provide them. However, in Committee concerns were raised that we were not quite there yet. On the one hand, lawyers will be able to work together almost immediately, and yet the full ABS provisions were unlikely to come into place before 2011. There was a need for a halfway house, so I fully support Government amendments that will enable early consumer benefits by providing new powers and related provisions for the Law Society to regulate bodies with low levels of non-lawyer management during a transitional period before part 5 comes into force. For instance, in-house accountants and managers could now become partners of the law firm. I am glad that the Minister took note of the views of the several bodies whose opinions I highlighted in Committee, and has understood the consumer benefits of not delaying the possibility of practices with limited non-lawyer managers being regulated until the full implementation of part 5.

The Law Society has expressed its views as follows:

"in one important respect, the Bill will be an improvement on the version which left the House of Lords. In the House of Lords, Ministers resisted the amendments which"

Lord Kingsland

"and Lord Hunt tabled which would have enabled the Law Society to regulate LDPs under our existing regulatory regime, rather than having to wait until about 2011 when the Legal Service Board will be in place. However, Ministers have now accepted that it is anomalous for the Council of Licensed Conveyancers (for example) to be able to regulate such firms, whilst the Law Society cannot, and so they have made appropriate amendments to Schedule 16 to cover the point. We think that will enable real benefits for both the public and the profession to be achieved earlier than would have otherwise been the case. It also has the practical effect of ensuring that the incremental approach to the introduction of ABSs—which both Sir David Clementi and the Joint Committee chaired by Lord Hunt favoured—will be followed."

My party colleagues and I are extremely pleased that the Government came round on this issue, and that the hard work of many in addressing this issue has led to such a satisfactory result. I would like to express my appreciation to the Minister for conceding on this point, as I believe that this is the type of change that will help ensure that Britain maintains its position as the foremost provider of legal services in the world.

I also thank the Minister for listening to the views of the Opposition in Committee and for tabling amendment No. 85, which will take us back to the position under amendments made to the then clause 83 in the other place by my noble Friends, the Liberal Democrats and the Cross-Bench peers to ensure that licensing rules contain provisions requiring the consideration of the impact on access to justice.

The arguments set out in the other place and by my hon. Friends and myself in Committee have obviously proved compelling. I do not propose to repeat them at length, but I would just like to highlight the importance of this Government concession as it will deal with the particular risk to access to justice posed by alternative business structures. We have maintained that whilst the timetable for low-risk alternative business structures should be brought forward, access to justice should not be reduced as a consequence.

Lord Woolf expressed his concern when, in a report of earlier this year, he stated:

"There is no doubt that large businesses could provide legal services in a novel and interesting way. But that could—unintentionally, perhaps—have a devastating effect on those who have traditionally provided services in rural areas in particular. Great care has to be exercised to see that damage does not occur".

The Law Society was worried that despite the fact that, as they put it:

"New entrants into the market may bring about some benefits...there is a risk that there may be long-term structural effects that destroy service provision and the fabric of small communities. Put bluntly, new entrants might cherry pick more profitable and less complex areas of work, driving down the profitability of established local firms who offer a full range of services at the heart of their communities. If that happened, where would consumers go for advice on complex matters?"

*[Mr. Touhig]*

claim the moral high ground on the issue when it was their policy of slashing the defence budget that led to service family housing being in the poor state of repair that it is in now. Indeed, there is no more pathetic sight than the Tories trying to pitch their tent on the moral high ground. When it comes to our armed forces, they had no idea when in government and they have no credibility now. Their record speaks for itself.

**Dr. Andrew Murrison** (Westbury) (Con): What happened to the repair and maintenance budget in the last financial year? If the right hon. Gentleman does not know, perhaps he might like to check the National Audit Office report on the subject.

**Mr. Touhig:** I am coming to an NAO report now. MOD officials appeared before the Public Accounts Committee on 28 January 1998 and they were asked whether spending constraints under the previous Government had prevented improvements to housing stock. They said yes. Who asked the question? It was none other than the right hon. Member for Haltemprice and Howden (David Davis), the present shadow Home Secretary. Contrast that with the record of this Government on spending and investment in the armed forces. We are reversing the legacy that the Conservatives left. We now have more than 20,000 new or upgraded single-living accommodation spaces and 20,000 more are planned. In this financial year, the accommodation of 900 service families will be upgraded, and there is more to do.

I hope that my hon. Friends on the Treasury Bench will take a closer look at an idea that I examined when I was a Minister. Today, many service families aspire to own their own home and we must to do all we can to help them achieve that. We could perhaps give them a grant of, say, £30,000 towards their mortgage. That cost could be offset by savings elsewhere on other benefits. Alternatively, the Department could act as a guarantor for a certain proportion of any mortgage applied for. The Americans do that with their veterans, for example. One of the major advantages of such a scheme is that the lender is protected against loss and a favourable mortgage is obtained by the service family.

The issue of home ownership will become increasingly important in the coming years as we move towards super-garrisons. It also extends choice to the services and meets a legitimate aspiration. The quality of service accommodation, alongside military pay and training, has a massive impact on recruitment and retention, which are the two great challenges facing us.

Recruitment is an ongoing challenge. Our strong economy increases the challenge. I entered the House in 1995 in a by-election, and I remember that almost every door that I knocked on in my campaign was answered. In the last general election, hardly any doors were answered, because the area now has a strong economy and almost full employment. The forces now have to compete for recruits and show that joining is an attractive proposition.

Retention is also an issue with some 20,000-plus people leaving the services each year. The skills that our servicemen and women gain during their time in the forces are desirable to those who run business and industry in the private sector. Imagine a married serviceman who has returned from a second or third deployment in the field being greeted by his wife. She will probably say, "Thank God you are back. I worried about you the whole time you were away. Now you have skills that you can sell outside in the private sector. The children are growing up and we are living in awful service accommodation." How can we retain those people in the forces? We need to do more, and the deployed welfare package does help with retention.

Let us not forget that our forces were given the best public sector pay deal this year. In fact, armed forces salary growth has exceeded growth in the whole economy in all but one of the last five years. Contrast that with the record of the Conservatives who, rather than supporting our service personnel, cut the Army by 36,000 during their last five years in government. With that record, where is their commitment to our armed forces?

The hon. Member for Woodspring (Dr. Fox), who spoke on behalf of the Opposition, but is no longer in his place, was a little coy when pressed about what they would do on public spending if they were in power. I do not know why he was coy: he should take a lead from his leader, the right hon. Member for Witney (Mr. Cameron), who said in a webcast interview recently:

"There is no magic pot of money we can dip into to spend...on our armed forces."

There we have it. If the Tories were in power, there would be no more for the armed forces. As so often in the past, the Tories are long on promises, but short on delivery. The party that cut the defence budget by £0.5 billion a year between 1992 and 1997 has not changed at all. If, God forbid, they were one day elected to power, the outlook for the armed forces would be cuts, cuts and more cuts. Contrast that with the record of this Government—increasing pay, improving equipment, updating medical care and accommodation, and constantly seeking to improve the package available to veterans. The Government are committed to delivering for our servicemen and women, and long may that continue.

6.19 pm

**Ann Winterton** (Congleton) (Con): I will try to rise above the rather carping nature of the debate. I hope that hon. Members will recognise that my motivation is concern for the welfare of our armed services and concern to provide them with the right equipment to do the job to which the nation has committed them. I welcome this debate on defence policy. It is in many ways long overdue, but I nevertheless congratulate the Government on holding it, as the subject is extremely important for the nation and our armed services.

The three armed services have their own particular crosses to bear at present. The RAF is financially bogged down with the Eurofighter, the Royal Navy's spending is now totally dominated by the two new aircraft carriers, and the Army, under the future Army structure programme, is being reconstructed for the future rapid effect system, FRES. Everything is geared towards providing a high-tech expeditionary rapid reaction force, but no one has asked why that should be so, or has asked what has been omitted in the meantime.

The right hon. Member for Walsall, South (Mr. George), who, I am delighted to say, is back in the Chamber, has said in the past that the UK and its allies might have to face down the Russians again, and that is true, but we are engaged in ongoing operations in difficult counter-insurgency situations. The fact is that those at the top of the military seem to have become obsessed with high-tech, high-priced, overcomplicated new equipment. Let us take the case of the FRES vehicles; they were originally expected to be on stream by about 2010, but we will be lucky if it is 2020. It may even be later than that.

**Mr. Kevan Jones**: Rubbish.

**Ann Winterton:** The hon. Gentleman says "rubbish", but I think that the point was even admitted at the Dispatch Box in debate last week. In the meantime, there is a great hole; we have insufficient numbers of the right vehicles.

**Mr. Jones:** I wish that the hon. Lady would do her research, and that she understood what she was talking about when making statements such as the one that she just made. I have pressed the Defence Committee hard on the subject that she raises; I am the one who has been pressing for an in-service date. Lord Drayson, the Minister with responsibility for defence procurement, has made it clear to the Committee on numerous occasions that 2012 is the in-service date. Having seen the rapid progress that he is making with that programme, I now have more faith that it will be in service by 2012. To say that may not happen until 2020 is absolute rubbish.

**Ann Winterton:** The hon. Gentleman expresses his opinion. We will have to wait and see who is right. I hope that we are both in the House in 2012, and that we will recall this conversation on the Floor of the House. In the meantime, the real needs of the present have been overlooked, and the hard-learned lessons of the past appear to have been forgotten. So many people thought that Iraq would be another Northern Ireland, where the use of Snatch Land Rovers was appropriate, but they were completely wrong, and many people have lost their lives or been maimed as a result. I have always given the Government credit for the provision of, and improvements to, equipment such as helmets and body armour, and surveillance equipment and electronic countermeasures that use the latest technology. That is in addition to armoury for the infantry. It is in the provision of larger equipment that things have gone horribly wrong.

I totally agree with the comments made by the Minister for the Armed Forces a week ago concerning the Mastiff vehicle:

"there must be a range of vehicles suitable for all occasions and available for commanders to use as and when they need to do so."—[*Official Report*, 9 October 2007; Vol. 464, c. 200.]

The Secretary of State is now back in the Chamber, and I ask him a direct question: did the Army fully support the original purchase of Mastiffs, or was its support given only on the condition that they were purchased outside the Army budget? I should be grateful if he responded, perhaps by letter. If necessary, I will come and see him behind the Speaker's Chair, so that we can have a chat, but I would like a response to that query.

Let us look at the Army's new vehicles. The Panther command and liaison vehicle is a very expensive runabout, not to be used on operations. The inadequately protected Tellar bomb disposal vehicle, the Pinzgauer Vector, is an excellent off-road vehicle, but any engineer knows that a mine blast turns it into a death-trap. The so-called Supacat mobility weapon-mounted installation kit is super for the special forces, but why have 130 of them, when they are a liability for normal patrols and convoys, as an infantryman can take them out with one bullet? Who is to say that the first round of FRES for the utility vehicle will be any better? Given the recent track record, we can have little confidence in getting that right. The vehicles can be transported, one at a time, only by the A400Ms—an aircraft that we might never get. What sort of a rapid reaction force will that be?

The military seem to be obsessed with fast jets, yet history has proved that small and slow is far superior for close air support. For the price of one Eurofighter we could have a squadron of Super Tucanos. They can carry the same ordnance as a Harrier, with its loud bang, but unlike the Harrier, which can be over the battlefield for no more than 20 minutes, Tucanos can loiter overhead for hours on end, ready for use in a ground attack at a moment's notice. We also tend to go in for expensive and complicated helicopters, which soak up manpower, like all complicated equipment. There appears to be little understanding of how light helicopters can be used effectively for ground attack.

In the book review section of the August edition of *Soldier* magazine, which I am sure that most people read avidly, there is a tribute to one of the

"most effective counter insurgency units of all time".

The reference is to a book entitled "The Saints: The Rhodesian Light Infantry" by Alexandre Binda, which should be required reading for all top brass, so that they can appreciate how the Rhodesians used their limited helicopter resources to devastating effect. There are plenty of helicopters on the market today that can be hired at one fifth of the cost of our own aircraft, so there really is no excuse for helicopter shortages. *[Interruption.]* I notice that Labour Members are amused by that statement. In all counter-insurgency situations we have complete control of the airspace, so why cannot we have total air surveillance on all key routes?

**Mr. Brazier**: I am grateful to my hon. Friend for giving way during her interesting and original speech. Does she agree that the issue is not just the cost of some of the platforms? In America, which has a huge civil aviation sector, as do we, they use reserve pilots, some of whom are extremely experienced and who have completed many thousands of flying hours, to pilot often much cheaper aeroplanes. As a result, they can afford much more air power per unit of cost.

**Ann Winterton:** My hon. Friend, who is experienced in such matters, makes a valid point, and I am sure that everyone in the House, including the Secretary of State, will take notice of it. I thank him for making that point.

I accept and admit that unmanned aerial vehicles are being developed for surveillance purposes, but there is nothing to prevent us from putting in place light

*[Ann Winterton]*

aircraft right now to give coverage 24 hours a day, seven days a week. That is what the Iraqi air force does, and that is surely the way to stop the use of improvised explosive devices, and to prevent further accidents from happening to our troops.

I would like to raise the issue of money and manpower. We constantly hear about not having enough money and that our forces are overstretched almost to breaking point, so let us take a few lessons from history. I refer again to the Rhodesian forces. They had little money and equipment, due to sanctions, and very small numbers of men, yet they succeeded beyond all expectations. They used what they had wisely, implementing ideas from the bottom up. The only battle that they lost was the public relations battle.

In last week's debate, my hon. Friend the Member for Mid-Sussex (Mr. Soames) said that the Ministry is also losing the public relations battle—something that the Minister who replied did not acknowledge. It is essential for the morale of our forces that as, at times, they fight for their very lives in exceptionally hostile and difficult circumstances, they know that they have the full support of the British people. I know that they have the full support of the House; they certainly have my full support.

British defence policy is caught in a vacuum, created in part by the military taking their eye off the ball while planning the longer term in procurement and reorganisation. In the meantime, we have been ill prepared to fight wars on two fronts—in Iraq and Afghanistan—and we have forgotten the lessons of the past in terms of counter-insurgency. Incidentally, Northern Ireland is not entirely relevant to the situation and no one at the top of the military has personal experience of comparable counter-insurgency, other than Air Chief Marshall Sir Jock Stirrup, who served in the Sultan of Oman's air force, operating Strikemaster jets in the Dhofar war of the 1970s.

**Des Browne** *indicated assent.*

**Ann Winterton:** The Secretary of State is nodding; he will remember that what happened in Dhofar province reinforces the case for slower aircraft for ground attack. I will not expand—to his relief, I am sure—on that argument in this debate, although I look forward to other opportunities to enlarge on some of the issues that I have raised.

6.31 pm

**Dr. Gavin Strang** (Edinburgh, East) (Lab): The hon. Member for Congleton (Ann Winterton) will understand if I do not take up much of what she said. However, notwithstanding the fact that the main defence procurement debate happened last week, as she knows, I cannot but respond to what she said about the Eurofighter Typhoon. It is to the great credit of this Secretary of State and his predecessors—and, indeed, the Labour party in opposition—that they stood solidly behind the development of the Eurofighter, which is a great success story. If the hon. Lady speaks for the Conservative party, she did it no good in seeking to denigrate the plane.

**Ann Winterton:** The hon. Gentleman has probably misunderstood; I was not knocking the Eurofighter, but saying that it was perhaps inappropriate as a ground-attack aircraft, and that other aircraft would be better suited to that purpose. It is a question of horses for courses.

**Dr. Strang:** I will not go down that road, but I trust that we have the hon. Lady's support for tranche 3.

During debates on defence, Members frequently take the opportunity to pay tribute to the calibre and commitment of our armed forces, and rightly so. Members of the armed forces put themselves at the service of the Government of the day, and through them, of the House of Commons. Surely a Minister has no greater responsibility than that of deciding to deploy our service personnel in an active role outside these islands. When people join the military, they literally undertake to put their lives on the line for the people of this country, so it is right that the House should take an active and ongoing interest in the activities of our military forces, particularly when they are engaged in operations, such as those in Iraq and Afghanistan, in which significant numbers of people will inevitably lose their lives or be injured.

I wish to focus most of my remarks on Afghanistan, but the House will be well aware of my strong opposition to the invasion of Iraq. It is more than a year since the head of the Army, General Sir Richard Dannatt, said that we should

"get ourselves out sometime soon because our presence exacerbates the security problems."

He went on:

"We are in a Muslim country and Muslims' views of foreigners in their country are quite clear. As a foreigner, you can be welcomed by being invited into a country, but we weren't invited, certainly by those in Iraq at the time. Let's face it, the military campaign we fought in 2003 effectively kicked the door in."

I accept that the Labour Front-Bench team did not want to hear that, but there is still certainly a great deal of concern in this country about the invasion of Iraq. Many will take the view that the sooner our military personnel leave that country, the better.

The background to our presence in Afghanistan is, of course, different. There was an al-Qaeda presence in that country and a consensus in this country that British forces should take part in any action to try to deal with the threat from terrorists in Afghanistan. The international security assistance force, or ISAF, in Afghanistan has been authorised by successive UN Security Council resolutions, beginning with resolution 1386, passed in December 2001. As my right hon. Friend the Secretary of State knows better than I, stage 1 of ISAF's presence was restricted to Kabul. The international community is, of course, supporting efforts to extend security to other parts of the country, and the role of ISAF has expanded to cover the various provinces of Afghanistan.

In April last year, the Defence Committee reported that the ISAF operation was made up of 9,000 personnel, provided by 36 countries, 26 of which are NATO members; that is important because the ISAF mission is now led by NATO. In addition to ISAF, there is Operation Enduring Freedom, the US military campaign that fought with the Northern Alliance to

remove the Taliban from power, with the US providing air power and the Northern Alliance providing ground forces. The operation continues to work separately from ISAF, but there is collaboration: for example, the air power is jointly controlled.

The House should be grateful to the Defence Committee for the work that it has done on the UK's deployment to Afghanistan. To its credit, its members visited not only Kabul but Kandahar and Helmand province. In the past 18 months, the Committee has produced two valuable reports. The Government's response to the most recent one was published just last week. The information available is up to date.

Reading through the two reports and the Government's responses, one is conscious of the use of two words—they struck me, at least: "security" and "stability". In my vocabulary, those are certainly not interchangeable. I regard "security" as covering the work done to back up the Afghan military police internal security operations and to try to facilitate some sort of rough rule of law so that people can go about their daily business in peace. I would reserve "stability" for the economic objectives of our involvement in Afghanistan. Those are hugely important, and a welcome and significant investment has been made by the Department for International Development.

The Government's response last week to the Committee report rightly makes a strong statement about the work of DFID, although that is not in any way to criticise the work of the Ministry of Defence. It simply means that it is right that DFID has got in so strongly and, as the Government said,

"ensured that all of its interventions have been in close consultation with the Afghan government and civil society at the provincial level and increasingly with an Afghan lead, including in the design and construction stages. This approach has demonstrated to local communities that their Government can deliver improved basic services and demonstrated the longer-term commitment of the international community."

I do not think that there is any concern about the support for the economic—and, some would say, the social—development of Afghanistan. I assume that the House is united in the hope that security might be achieved within a reasonable time scale and that the cost in lost life, whether of military personnel or the Afghan population, is kept to an absolute minimum. There is agreement throughout the House on that.

It is right that we should look carefully at what is happening in Afghanistan. Reference has already been made to the position regarding the growth of poppies. The reality is that there are many poppy producers. The Select Committee's report does not refer much to the producers but rather to the next stages, which are easier to address. I am well aware that it is not the Government's policy to allow the military to get involved in any of the eradication process. Indeed, the report makes the position clear:

"The MOD...will not take part in the eradication of poppy until alternative livelihood schemes are available."

The problem is that we have to accept, as my hon. Friend the Member for Midlothian (Mr. Hamilton) said, that producers will move to alternative systems of production only when, in the long term and the short term, it is profitable for them to do so. These people are working on the land and trying to support themselves and their families. The idea that there is a military solution through eradicating the poppy crop, with the involvement of the British Government and our people, is quite wrong. Indeed, the more I study the report and the Government's response, the more sceptical I become of the entire commitment. If one looks carefully at the original terms of reference given in relation to the Government's participation in ISAF, even subsequently when we moved into Helmand province, one sees that part of our presence in Afghanistan is an involvement in dealing with the narcotics issue.

This is not said in any spirit of criticism. My right hon. Friend the Secretary of State said that when he tries to justify our presence in Afghanistan to his constituents, he sometimes refers to the drugs link. I have made my position on this clear on previous occasions in the House of Commons. As far as I am concerned, our responsibility in relation to drugs is to deal with consumption. The reality is that there is too much consumption of illegal drugs. It is all very well saying that a certain proportion of drugs is produced in Afghanistan, as if poppies are grown only in Afghanistan, but it is not credible to imply that any significant contribution can be made to the drugs situation in that country by our military presence there. I put that forward as the point of view of someone who naturally wants to see our forces succeed, by and large, throughout the world, as does everyone else in this House, if we agree that they should have been deployed.

**Des Browne:** I am concerned about two aspects of my right hon. Friend's remarks. First, as I made perfectly clear when answering an intervention on my speech, I realise that one can grow poppy in places other than Afghanistan. If we do not deal with consumption while at the same time seeking to deal with supply, then for as long as there is a market here in the developed world for heroin, somebody, somewhere, will grow poppy in order to produce it. I well understand that; his point is redundant if he seeks to persuade me of it.

Much more importantly, does not my right hon. Friend realise—I hope that he will develop this point, because there is no discord across the House regarding his argument about where the priority of our military effort should lie—that a significant amount of the insurgency in Afghanistan is paid for by the production of heroin, so there is a direct correlation between that and the violence that is visited on the people of Afghanistan and directed at our troops?

**Dr. Strang:** Of course I realise that, just as I realise that a high proportion of the crime in this country is related to the drugs situation. Indeed, we can debate whether we want a high price or a low price for drugs in relation to their impact on crime in general. I do not seek to get involved in an argument with my right hon. Friend—I support his efforts across the piece in his Department—but of course I know that these people are being funded by drugs. The report refers to the scale of corruption in the country—the whole situation is riddled with profits from drugs. The producers are just the people on the ground trying to earn an honest livelihood. We all understand that, as the report says, we are trying to go for the Mr. Bigs.

*[Dr. Strang]*

I do not want to extend my contribution for too long, because I know that many others want to speak, including members of the Select Committee, but I will conclude on the following valid point. I was impressed by the contribution to last week's defence debate by the hon. Member for Reigate (Mr. Blunt). Let me try to be a little bipartisan after my initial, justified reaction to the hon. Member for Congleton. The hon. Gentleman made an excellent speech, as my right hon. Friend the Minister for the Armed Forces is aware, because he opened the debate; I am sorry that I was not in the Chamber at the time. I have no disagreement with the commitment of my right hon. Friends the Minister and the Secretary of State to trying to get the best equipment for our people, whether they are in Iraq, Afghanistan or anywhere else.

I was impressed when the hon. Gentleman said:

"We should not confuse our admiration for the magnificent way in which our young soldiers are carrying out their duties with a consideration of the wider merits of their task. It remains our duty constantly to assess whether the task that they are doing collectively on behalf of the United Kingdom serves British interests, and wider western liberal democratic national interests."—[*Official Report*, 9 October 2007; Vol. 464, c. 232.]

I say to my right hon. Friend the Minister that there is still a fundamental consensus between the Select Committee and the Government on the narcotics work in Afghanistan; I merely question the approach, and I think that we should continue to do so.

6.47 pm

**Mr. Julian Brazier** (Canterbury) (Con): I welcome this opportunity to discuss defence policy. I want to say a few words about the military covenant between the armed forces of the nation. I will then spend the bulk of my time considering ways in which we could have a greater involvement by the wider nation in the defence of our country.

Last week, there was a widespread welcome for the albeit very limited changes to the armed forces compensation scheme. Yesterday, I received a reply from the Under-Secretary to a letter that I wrote contrasting the cases of Lance Bombardier Parkinson with the RAF clerk who had RSI in the fingers. I entirely accept that, as the Secretary of State said earlier, no direct comparison can be made between the two lump sums because one person is getting a guaranteed income payment and the other is not. However, the fact remains that if that guaranteed income payment for these absolutely frightful injuries were to be capitalised, a comparable civilian case would receive a much larger equivalent sum. After all, the Government of the day set the rules and make the law in this area, so why does our law place a so much higher value on civilian casualties than on military ones—or rather, in this case, on someone who was uniformed at the time but had the injury in a civilian context rather than a military one?

**Mr. Kevan Jones:** Will the hon. Gentleman give this Labour Government some credit? Before the compensation scheme was introduced, no lump sum payments were made to members of the armed forces; it was a Labour Government who brought that in. When I discussed it, along with other members of the Select Committee and members of the Public Bill Committee, at no time did Conservative Front Benchers bring up any of the points on which they seem now to have had foresight whereby they knew that it was wrong all along.

**Mr. Brazier:** That is not what I am saying—and the hon. Gentleman knows it. I served on the Committee, too, and the total package of remuneration, pension and compensation embodied in the Bill was cash limited. It took no account of the fact that there would be fewer pensions in future because the armed forces are getting smaller, but it did take account of the fact that people were living longer. The overall value across all service personnel was actually lower. However, I am not going any further with the actuarial calculations at the moment.

The second example on the covenant issue, much discussed in our debates and touched on again today, is the overwhelming feeling in the military that we should have a military designated ward—not just a military managed one—at Birmingham Selly Oak. No one would suggest that, in a massive accident or a crisis, those beds should always be refused to civilians, but it cannot be right for a young Royal Marine with fearful injuries from Afghanistan who has been moved back there from the field hospital to wake up and find himself between two elderly ladies, who ask him, "What has happened to you, lad?", and for him to end up saying that he has had an accident at work. That is just one example.

The wider issue of the military covenant, floated by Sir Richard Dannatt, Chief of the General Staff, should be thought about hard, and I welcome, as have other Members, the Royal British Legion's campaign to focus on it. We have to ask ourselves why we do not have homecoming parades in very many places when our soldiers return from Iraq or Afghanistan. Although it is a factor that action in those theatres does not command overwhelming public support—indeed, in the case of Iraq, it is positively unpopular—that is not the only factor.

In Canterbury, we are proud of being garrison city for the 5th Battalion the Royal Regiment of Scotland—the Argylls, as we still think of them—and of being the headquarters of the 3rd Battalion the Princess of Wales's Royal Regiment. We are unusual, however. The Army is getting smaller, and it is increasingly concentrating on a few so-called super-bases. Just last month, I visited Catterick. It has an enormous military contingent, with very few civilians living in the immediate area. The Air Force has bases such as Lossiemouth and Kinloss, whose local civilian community is again extremely small. For the vast majority of people living in Britain, immediate contact with the regular forces is absolutely minimal.

I can, however, provide an excellent example of a homecoming parade, as reported in *The Daily Telegraph* yesterday:

"After six months of combat in Afghanistan, Somme Company, of the London Regiment, paraded through the City of London...Major Giles Morgan, an officer with the London Regiment said, 'The parade was absolutely brilliant. It was the first time families had seen their loved ones for a long time so it was a proud moment...It was very emotional. One soldier proposed to his girlfriend and she agreed.' The parade was

hosted by the City of London Corporation, the local authority for London's financial district, the Square Mile. It included...Territorial Army soldiers, regular reservists and 26 Grenadier Guards",

who had been placed under the command of the 1A company.

If we look across the Atlantic at the National Guard in America, we see that every state has deployed units—not stray individuals—to Iraq, usually as parts of whole brigades. I heard all about the fantastic welcome when the Louisiana brigade returned to the state, despite its having being away during Hurricane Katrina. The TA is tiny in relation to the regular Army—the volunteer reserves in America, the National Guard and the US Army Reserve, are bigger than their regular counterparts—and as a result, our regular forces are in danger of slipping into cultural isolation.

Much of the debate has turned on the mismatch between resources and tasks, but I put it to the House that, in looking at the future shape of our armed forces as a whole, there are three good reasons why we need greater civilian involvement in defence. The first is the one that I have just mentioned, namely that otherwise our regular military forces will become more and more isolated from the civilian community, which is rapidly happening.

The second reason is cost. In America, where 55 per cent. of ground forces are volunteer reservists, there is obviously a big difference in cost from the comparable figure of less than 30 per cent. in Britain. The proportions are also very different in the Navy and the Air Force. I shall not speak about the Navy today because our all-party reserve forces group has just started a study of the maritime reserves.

We can see some really striking statistics if we look at the Air Force. It costs £4 million to train a fast jet fighter pilot. When such a pilot leaves the RAF in Britain, that money is completely lost to the taxpayer. In America, such a pilot can go and join the Air Guard, which provides a third of all the fast jet fighter squadrons in the country. Because its pilots are overwhelmingly ex-regular, the training cost is minimal.

In other areas of the American air forces, the figures are even more striking. Most of its supporting functions are provided by part-timers, who mainly fly for a living. They are extremely experienced pilots who provide a very effective back-up for the front-line aspects of the air force. Some of the Air Guard's equipment is even cheaper.

My hon. Friend the Member for Congleton (Ann Winterton) referred to the merits of slow-flying ground-attack aircraft. The A10—or Warthog, as it is nicknamed—costs about 10 per cent. of the price of a Eurofighter, but with its titanium case around the engine and the protection that it provides for the pilot, it is immensely resilient to anti-aircraft fire and, because it can loiter, it is very effective in a ground attack.

**Mr. Hoyle**: But we have to remember that our aircraft industry is a world leader. What we should not be doing—there is great danger in doing it—is buying off the shelf, which might take away our capability of producing aircraft. That would be a major retrograde step, which I hope the hon. Gentleman would think carefully about before seeking enhancement through buying American products.

**Mr. Brazier:** I agree completely, but the fact remains that nobody—including the Conservative and Labour Governments of the past 40 years—has ever asked our aircraft industry to produce a cheap, durable ground-attack aircraft. What we are getting for the second time round is an aircraft that is very expensive, highly specified and, in the case of Eurofighter, principally designed for air combat, at which it is arguably the best in the world. It is not designed for ground attack.

One more example from the Air Force is the air tanker programme. I have been struggling to find the latest estimate of the private finance initiative cost. Two years ago, the figure was £11 billion, but I have since seen a forecast of £13 billion. Let us be clear what we are talking about: air tankering is a very important function that, in essence, involves converted airliners. A degree of skill is necessary, specifically in practising the tankering function, but the people involved have a skill base that is otherwise the same as that of an airline pilot.

We are talking about expensively converting airliners that can be used to carry troops, but an awful lot of air tankering is needed at some times but not at others. There must be a cheaper way of arranging air tankering, so that we use, as the Americans do, reserve pilots—experienced airline pilots who fly for a living anyway—and consider a cheaper aircraft option, so that the aircraft do not sit about and are used either for air tankering or for air transport. We have overstretch in air transport at the moment, but that is not always the case. The Americans have the capability, which we do not have, to pull much more capacity on stream at relatively low cost.

That brings me to the Territorial Army and the report prepared by our little all-party group. We had terrific support from the MOD, which agreed to provide us with all the information that we wanted. The Minister's predecessor, the right hon. Member for East Kilbride, Strathaven and Lesmahagow (Mr. Ingram) came to speak to us. We subsequently received from the Minister for the Armed Forces, the right hon. Member for Coventry, North-East (Mr. Ainsworth), whom I am glad to see in his place, a very courteous and detailed reply to our report. However, it was a little disappointing that very few of the ideas that we proposed found favour, and I should like to spend the last part of my speech on three of them: deployments, recruiting and retention, and resources.

The Territorial Army has a remarkable record on deployments: out of an organisation that is barely 30,000 strong—including recruits and undeployable people, such as those in the Officer Training Corps—13,000 have gone to Iraq and Afghanistan over the past five years. Let us remember that it was deployed to Iraq only a couple of years after a big deployment associated with the Kosovo operation.

A growing feature of deployment, beside the pace of it, is causing considerable unhappiness in the Territorial Army: the Regular Army's demands to cherry-pick lance corporals and privates to backfill regular units, with the officers and senior non-commissioned officers being offered buckshee posts

*[Mr. Brazier]*

away from command. To its credit, the MOD did not give this justification in the reply to our report, but the justification that regular officers sometimes give sotto voce is, "Oh well, why should we use a TA officer as a platoon or company commander to command these soldiers, when we have got somebody who's spent so many more years training in the shape of the regular officer. What we want is the rank and file to pad out the numbers in our regular units."

The MOD gave a different reply:

"With approximately 600 members of the TA and Regular Reserve deployed at any one time, predominantly split between Iraq and Afghanistan, the infantry element is the only cap-badge where there are sufficient individuals available to deploy at sub-unit level."

So deployment will take place by so-called cohorts—groups of mostly junior rank individuals, possibly with an officer going for a buckshee staff job. I am certain that the Minister did not mean to mislead us—a lot of trouble was taken over that reply, but it is factually wrong. For the bulk of next year, formed units of the TA Royal Army Medical Corps will provide most of the medical cover in Afghanistan. In fact, to give another example, a formed unit of 131 Commando Squadron Royal Engineers—a formed troop of 50 soldiers—has just come back from quite a distinguished tour in Afghanistan. Its tour in Iraq on the first day of the original invasion made the front page of *The Times*. So there are examples of those, apart from the infantry, who have been deployed as formed units.

In fact, the kind of performance that I quoted from *The Daily Telegraph*—the welcome and fanfare in the City of London for the London-formed company—is a model for what can be done and for how the Territorials can keep the wider community interested in the whole business of defence. Full marks to the Londons for fielding that company, many of whom had been out to serve before, and for the excellent service that they did there. All credit, too, to the Brigade of Guards, which had no previous experience of working with Territorials, and which said, "We're going to treat these people seriously." It even detached a platoon of regulars to serve under its wing, because it was a three-platoon company with four tasks, so it clearly needed a spare platoon. That is the way forward that the Territorials want, rather than the cherry-picking of individuals.

I do not mean to suggest—please do not misunderstand me—that there is no scope for individuals who want to volunteer to fill gaps in the Regular Army, but the same point that has been made many times about the Regular Army applies to the TA. Just as the Regular Army needs to train for general war so that it can be used for peacekeeping—a point that we used to hear many times in debates a few years ago, before Afghanistan hotted up—Territorials must have opportunities for formed-unit deployments, in which officers get the chance to command and soldiers to serve under TA officers, if they are also to be useful as a supplier of spare parts.

That brings me to recruitment and retention in the TA. We are desperately short—5,000 or 6,000 under-strength on paper—and I am sure that the gap would be even larger if those who are held on strength but have really ceased to attend were taken off. The decision to hand recruiting from the reserve forces and cadets associations to the regional brigades is potentially very dangerous. The original brigades, however well they are commanded—some of them have more expertise than others in the TA—do not have the same links in the local community with business, the local media and so on as a regional organisation. It is an accident of geography that, apart from London, none of our regional brigades coincides with, for example, a television area; they all cut across boundaries, thus making things still more complicated.

If we want to recruit good quality officers and soldiers for the TA, it is essential that regional brigades are persuaded to continue to work with the RFCAs and to find best practice among individual TA units, some of which have been very adventurous in getting into groups that are of no interest to Regular Army recruiting teams. For example, 4 Para, which we visited as an all-party group, has gone into gym clubs and rugby clubs to speak to young men in their early 20s who are too old to be interested in joining the Regular Army but who are extremely fit, would make excellent TA soldiers and would like the opportunity to go off to Afghanistan.

That brings me finally to resourcing. In the announcement on the future Army strategy's TA section, a number of promises were made to the TA, which has suffered a long series of cuts. I shall quote two or three of those promises:

"We have, therefore, made allowance in our unit structures for both a training and a mobilisation margin...will also increase joint TA and regular training, thereby delivering more enjoyable, relevant and challenging training to the Territorial Army...about 240 permanent staff recruited to provide administration".—[*Official Report*, 23 March 2006; Vol. 444, c. 427.]

The sad decision to cut £5 million from the TA's budget—a terribly small sum for the Department, but a huge sum for the TA, at nearly 3 per cent. of its budget—has meant that those promises have gone out of the window. I draw the House's attention to early-day motion 1761, which was signed by 91 Members of all parties, including most of those present at the moment. It states that the cut

"will stop all recruiting in TA units that are not making a significant contribution to current operations".

That includes the Royal Yeomanry, which made a huge contribution to the first wave in Iraq. It also states that the cut will

"cancel Cambrian Patrol, cancel all TA involvement in the Nijmegen marches,"—

two of the most exciting things in the TA, which help it to recruit and retain good quality people—

"cancel divisional skill at arms meetings and freeze the recruitment of 244 non-regular permanent staff".

Those staff were, of course, promised in the original statement.

The TA, which is just coming up to its centenary, has made a huge contribution. It made up almost half the units deployed in the first world war, when Territorials won nearly 80 Victoria Crosses. One thinks of the defence of Calais during the second world war, where the London Rifle Brigade was praised for its gallantry by the German high command. One also thinks of the contribution made by those 13,000 Territorials in Iraq and Afghanistan.

However, there is a limit, in the recent words of one TA officer, to how many times one can twist the Rubik cube without breaking it. The TA must be given the resources it needs—we are talking about terribly small sums—and it must be given opportunities for command on operational service because of those three things that I mentioned at the beginning: we need reserve forces because they are an affordable way of providing extra capacity, because they bring civilian expertise into the defence sector and because they are a key factor in preventing regular forces from slipping into cultural isolation.

7.12 pm

**Mr. David Hamilton** (Midlothian) (Lab): The right hon. Member for Walsall, South (Mr. George) said earlier that people should not get up and speak unless they have something to say—a piece of advice to one of our young colleagues across the way. In many cases that advice is sound, but then again, everyone has to start somewhere.

I have been here for six years and I have entered into three defence debates. I have been involved with the Select Committee on Defence for the last two years. Two of my colleagues are here; it is unfortunate that the Defence Committee is away again. These debates seem to take place when it is away, which is an unfortunate bit of timing. However, the reason for my involvement in defence, and for thinking that it is an important issue for us to consider, is personal experience. I was at Capitol Hill in 2001 when the plane hit the Pentagon next door, and my colleagues and I had to run out of the Capitol building.

I quickly realised that as an MP, I was not here just to represent my constituency, but that the decisions that I, and others, took in this place would result in people going to war and not coming back again. If I had to make such decisions, therefore, the least I could do was to try to understand exactly what the conflicts to which we send people were about. That is why I joined the armed forces parliamentary scheme, which I recommend to anyone who has not been involved with the armed forces before.

The hon. Member for Canterbury (Mr. Brazier) referred to deployment, and how the linkage between the armed forces and the public is now void, which is true. When I left school in 1965, I could go either to the pit, into the textile industry or to the local Army recruitment office—the Glencorse barracks is in my area. There is a link between the armed forces and my local community. There are marches in the area every year, but such links are few and far between, and do not exist in very many places. A disconnect has taken place over the years, and it is important that we understand that.

Many previous speakers have talked about Iraq and Afghanistan, and I anticipated that that would be the position. I want to raise some specific issues about which I feel quite strongly, and refer to things that we need to develop. Like a substantial number of Members in my party, I opposed going into Iraq, and I continue to think that I was on the side of the righteous in doing so. At the end of the day, however, I have never spoken publicly against the decision to go into Iraq because it was a democratic decision taken in this House, and I was in the minority. I am from that old group that believes that when defeated, people should accept the decision taken. When the troops moved out, it was important that we were seen to support them in that conflict. That does not mean I have not had reservations about what happened, and what is happening.

I want to make one or two points on Iraq. The first, which has been discussed during the past week, was about the commitment made to the Iraqi interpreters, who have been a major support. They have done a great deal of work not just in their interpretation duties, but in saving a great many British lives. I was glad to see the Prime Minister acknowledge that contribution by saying that we would have to support those people and ensure that they get sanctuary in this country. However, the fact is that there were 740 rulings last year on Iraqis who had supported the UK, but asylum was granted to only 30 of them. I hope that when we talk about the new dynamic, we will see interpreters being treated in a different way.

Other hon. Members have spoken about the contribution from other countries, or lack of it, in sending people to the conflict; I suggest that those countries could make a contribution by looking after those who have been so supportive of our armed forces. We should also support them for another good reason: if we enter into any conflicts in future, the way in which we have treated those who supported us in the current conflict will be remembered. I was on BBC Scotland on Sunday, supporting the Government's position, and I listened to an Iraqi interpreter who is in Syria. He made quite clear his disappointment with what has happened in the past, and he welcomed the Prime Minister's statement because he may now be able to leave Syria and come to the UK. That applies not just to people like him, of course, but in many cases, to their families too.

I appreciate the fact that troop numbers in Iraq, which stood at 7,200 individuals at the beginning of 2007, had gone down to 5,500 at the start of September. That number has decreased to 4,000, and by next spring it may have gone down to 2,500. It is disingenuous of many Opposition Members not to recognise that that is a major reduction. For anyone who has been supportive of our troops in Iraq, it is a good move, and I welcome what the Prime Minister has done.

Like most Defence Committee members, I have been to Afghanistan. I was there last year, between 2 and 7 July, and we went not only to Afghanistan but to Pakistan. I would like to pick up on an earlier comment about the contribution of the Pakistani army. Some 800 troops of that army have been killed. Sometimes people criticise the Pakistani armed forces, when they are on the front line in many cases, and are losing troops hand over fist. They resent the criticisms, which are often made by people who should know better. When we met General Musharraf in Pakistan, he went to great lengths to explain how it is trying to support the UK and American forces and the United Nations in Afghanistan. We went to Camp Bastion and met a number of people down there. We were mortar-bombed one night, and someone had to wake me up—I am a deep sleeper. That was first-hand experience.

*[Mr. David Hamilton]*

Several hon. Members have mentioned talking to members of the armed forces and finding out from them how things are. I am a reformed smoker, which means that you can go out of the way, into back doorways, to have a cigarette, and that is where you really meet the troops. They tell you what they really think of you when they are away from their officers—smokers tend to get into direct contact with them. In all my experience of the armed forces parliamentary scheme and the Defence Committee, equipment is not an issue that has been raised with me. It is important to say that. Wages, and the conditions in married quarters, have been brought up, but conditions and equipment in conflicts have not been mentioned to me.

**Mark Pritchard** (The Wrekin) (Con): I note the hon. Gentleman's comments, but has he come across complaints from armed forces personnel in Iraq, Afghanistan or both—or, indeed, in other theatres—about footwear and the desert boots that are currently being used and tend to fall apart?

**Mr. Hamilton:** No, those comments have not been made by any soldier to me. I represent Midlothian and I see the Highlanders who are based in my constituency, and they have not said that. They have done two tours in Iraq and Afghanistan, and I think that they would have told me if there was a problem. I take it that the hon. Gentleman has been told that, so there are problems with equipment, but those complaints have never been put to me. I welcome the £10 billion for equipment, and I believe that it represents a substantial increase in real terms.

I want to consider the decision in the House some months ago about Trident. Again, I was in a minority on that matter, which is a big issue not only in the UK Parliament but in the Scottish Parliament. Most Scottish Members of Parliament, and Members of the Scottish Parliament, voted against Trident. The First Minister, who is also a Member of this House, has made it clear that he will do anything he can to stop the maintenance of the nuclear facility at Faslane. It is important that hon. Members understand that, because the issue could affect our defence capability. The First Minister argues that he could relate his opposition to EU regulations. A Green party Member of the Scottish Parliament wrote to the First Minister asking for an inquiry into the transfer of nuclear warheads around Scotland. The First Minister replied that he shared the opposition to nuclear weapons and reassured the Green party that he would go even further, take some steps to ensure that nothing was moved in or out of Faslane, and use European legislation to deal with that. It is important that the UK Parliament understands that.

I revert to the point that I made earlier: when we are part of a democratic force, we accept the defeats as well as the victories. We were defeated on Trident in the UK Parliament. If people do not accept defeat, they should go back and try a different angle to win the fight. We cannot have a Scottish debate without having a UK debate. The UK Parliament makes the decision. It would be inappropriate if one part of Scotland—for example, Shetland—said that it wanted to be independent and take all the oil without giving any to the rest of Scotland. That would change the dynamic, and the same applies to the position that I have described.

The Royal British Legion and the covenant have been mentioned on several occasions. For anyone who attended the party conferences and found members of the Royal British Legion there, let me distinguish between the Royal British Legion and the Scottish Royal British Legion. They are separate entities. The Royal British Legion in Scotland is not involved in the covenant issues, and it is important that people understand that. The Scottish British Legion has not yet made a decision. The board of trustees has met and may decide to join the campaign at some point. If it does, that is fine. However, veterans in Scotland have been working closely with the Ministry of Defence and the Scottish Executive on the treatment of Scottish personnel who are currently serving in the armed forces and those returning home. They have been discussing not only pay but wider issues such as housing and so on. Housing is, of course, a devolved matter in Scotland. Again, it is important for information purposes to know that, for example, some inquests into deaths must be conducted in Scotland. That is being discussed with the Ministry of Defence, because legislation in Scotland is different from that in England.

Last week, the Defence Committee took evidence in the Scottish Parliament. Mr. Derek Feeley, director of health care policy, the health care officer of the mental health division and a medical adviser were present. It shocked many members of the Committee to find that although there is a fast-track procedure in England and Wales for service personnel and former service personnel, no such distinction is made in Scotland. Personnel from a Scottish regiment based in a Scottish area are treated differently when they get home.

**Mr. Kevan Jones:** I, too, attended that evidence session in the Scottish Parliament last week. Was my hon. Friend also shocked by the lack of comprehension on the part of the NHS in Scotland that veterans and/or armed services families should be treated differently from the bulk of the population in the provision of medical services?

**Mr. Hamilton:** I agree. Indeed, the hon. Member for Dunfermline and West Fife (Willie Rennie) said during that public evidence session that he was disgusted with the contribution of the three people who spoke on behalf of the Scottish Government. He declared his disgust because they could not answer the questions that were asked and were unaware of their role in relation to the Ministry of Defence. At one point they said that they had four meetings a year with the Ministry of Defence to discuss issues that affect Scottish troops coming home and their families. That is not acceptable.

**Stewart Hosie** (Dundee, East) (SNP): I have heard that interesting story on several occasions today, and it must be properly addressed. Many members of the Defence Committee are here, so may I ask them whether they had taken up the matter with the NHS in Scotland previously? Is this a new situation or a legacy issue? We have been going to war for many years—

every year in my lifetime—so the problem is not new. Is there any sign of whether it has got worse or better—or has it simply been ignored for ever?

**Mr. Hamilton:** The hon. Gentleman is obviously trying to score points against the previous Administration in Scotland. As I understand it, the fast-track system came into operation at the end of last year. It is therefore a relatively new proposal, which has not been adopted in Scotland. We were not shy of pointing that out to the previous Administration. It is important that when our troops come home, whether to Glencorse or somewhere in England or Wales, they are treated exactly the same.

**Mr. Kevan Jones:** Was not it also disturbing that the representatives in the evidence session had no comprehension that veterans and armed forces families should receive special treatment or be viewed as different from the rest of the population? The fundamental problem was that they did not get it.

**Mr. Hamilton:** I agree with my hon. Friend. The lack of understanding disturbed me more than anything. In the two years for which I have served on the Defence Committee I have rarely seen genuine anger expressed. The Chairman had his head in his hands at one point, because he did not know how to ask the next question. The session will have been recorded, and I ask hon. Members who are interested, especially Scottish Members, to read the proceedings. Improvements need to be made.

We need to consider health, including mental health, and education. Other members of the Select Committee will remember that the education spokesperson gave evidence last year. When we asked him about the way in which education facilities affected children, he could tell us about England but not Scotland. The problem is that the education system continues to be different in Scotland. The examination system is different. When kids come from German bases to Scotland or England, they are treated differently. If they are being educated in Germany under an English system, they must adapt to the Scottish system if they move to Scotland. In my opinion—and I think in that of other members of the Select Committee—that was not tackled appropriately.

The final issue that I will touch on is housing, which has been talked about on many occasions. We have talked about special treatment and so on, and housing is an issue that I, as someone who grew up in an area with an Army barracks, feel strongly about. My council has always had a policy on housing, and during the 30-odd years in which I have been involved in public life, I have never heard a single complaint about armed forces personnel who have served this country coming out of the Army, the Navy or the Air Force and getting priority on housing lists. That is accepted in my constituency, and it should be accepted in the 32 other local authorities in Scotland. It should be a policy that the Government adopt, and which any future Government will maintain. My final request is to ask whether the Minister would be willing to meet a number of Scottish MPs to discuss the infringements, which affect Scotland disproportionately more than the rest of the United Kingdom.

7.30 pm

**Mr. Bernard Jenkin** (North Essex) (Con): I am pleased to catch your eye, Mr. Deputy Speaker, after hearing my colleague on the Defence Committee, the hon. Member for Midlothian (Mr. Hamilton). I hope that you will forgive me for pointing out in this important debate about defence policy that only three members of the Defence Committee are present. However, that represents a 100 per cent. turnout, because I believe that every other member is on an overseas visit to Georgia and Turkey, at a sensitive time for relations with Turkey. That is an important visit and I am sure that each of us here regrets that we are not on it. However, we felt our loyalties torn, because we wanted to take part in this debate.

It must be one of the most curious coincidences since Sir Cecil Rhodes discovered Rhodesia how often these defence debates, of which there are five every year, occur when the Defence Committee has already planned to be abroad. I wonder whether you could use your good offices, Mr. Deputy Speaker, to look into how often that coincidence occurs and whether the business managers of the House could not contrive to ensure that the Committee's members are more likely than not to be present and available to participate in these debates. I must also apologise to you, Mr. Deputy Speaker, those on the Front Benches and the House for being unable to be present for the wind-ups for this debate, since I have had a long-standing commitment elsewhere. For that reason I shall keep my remarks short and to the point.

I regard this debate about defence policy as one of the most important in the defence calendar. It is the one in which we can legitimately raise and discuss the very fundamentals of what our defence is about. It is usual when called to speak after a considerable number of speakers in such a debate to praise the quality of it. There have been some good speeches, but there have also been some exchanges that, I am pleased to reflect, very few members of Her Majesty's armed forces will have been bothered to witness on their television screens.

I raised with the Secretary of State the question of the increases in the defence budget as compared with other countries. My hon. Friend the Member for Woodspring (Dr. Fox) raised from the Dispatch Box the share of GDP that we spend on defence. We know in all parts of the House that the strain on the armed forces and on the defence budget is a real topic and that it is more acute than it has been for some considerable time. We know that the Government are wrestling with the dilemma and that an incoming alternative Government would have to wrestle with it, too. We also know that no ludicrous commitments will be made in the Chamber this evening about any particular level of spending. That is what Governments do in comprehensive spending reviews and spending statements; it is something that Oppositions do not do, for obvious reasons, not least because promises made by Oppositions are rarely believed by the voters.

The crucial question that we must ask ourselves is whether the House will face up to its responsibilities and honour the military covenant, which my hon. Friend the Member for Canterbury (Mr. Brazier) raised, which means honouring the obligations towards our servicemen—those who are serving, those who are

*[Mr. Bernard Jenkin]*

training and those who are injured—the families who are the bereaved and the veterans who have fought for their country and now left the armed forces. Are we going to equip our armed forces for what we constantly ask them to do or are we going to carry on operating on a shoestring?

The story of the Territorial Army, which my hon. Friend raised, is a case in point. We are talking about very small sums of money, and it is the same in terms of housing. Relatively small sums of money would make a huge difference to the quality of life of many servicemen and their families. However, the defence chiefs are confronted constantly with a choice: do they cut the capabilities that they are trying to deploy into the field for those other programmes or do they try to protect the size of their declining manpower and their delayed equipment budgets? Those are the constant dilemmas that must be faced in the Ministry of Defence, because we are trying to do too much with too little.

**Mr. David Hamilton:** I am sure that the hon. Gentleman would accept, however, that substantial amounts of money are being spent on housing. In my constituency, £44 million has been spent on housing in the Glencorse barracks, where satellite television has been installed and where each house is now worth about £300,000. I can assure the hon. Gentleman that the families absolutely love the improvements, which ensures that the personnel who fight on our behalf are well aware that they are being looked after back home.

**Mr. Jenkin:** I stand to be corrected, but I am informed that at the present rate of refurbishment and improvement of the defence estate and the married quarters estate, which is now in the private sector, but which depends upon the subventions from the public purse for its improvement, it will take 30 years for the housing stock to be brought up to standard. That is not acceptable. If the time were half that figure, it would not be acceptable. We need to honour our obligations to those who would give so much for their country. The hon. Gentleman most sincerely does in his case, but we need to do so as a House, as politicians of all parties.

**The Minister for the Armed Forces (Mr. Bob Ainsworth):** The hon. Gentleman is trying to make a serious contribution, but he has said a couple of things that do not gel with that. If he is suggesting that the housing situation could be sorted out with a small amount of money, that is not true. There is already the plan to spend £5 billion over 10 years on our service accommodation. A lot of money has already been spent and a large building programme is in place.

The other point that caused me to rise was the hon. Gentleman's argument that it was in some way illegitimate for the Government, when they are criticised about the amount of money that they spend on defence, to ask whether the Opposition plan to increase that amount. If we are not to ask that question, all the rest is surely just political knockabout, which, as he rightly says, will turn our armed forces off as soon as they switch on to this debate.

**Mr. Jenkin:** I accept that the amounts required to bring all the housing stock up to scratch over a long period will be substantial. My point is that spending relatively small amounts of money on the accommodation of individual servicemen can make a big difference to their lives.

I wish to address in all seriousness the other point that the Minister raised, by asking him to address the defence planning assumptions. The Defence Committee is conducting an inquiry into commitments and resources. I understand that there has not been an inquiry into defence commitments and resources since the mid-1980s—again, I stand to be corrected if I am wrong—because it is an extremely difficult task for the Defence Committee to undertake. We do not have a Rand Corporation in this country or the same scale of think tanks that the United States does. We rely very much on the Ministry of Defence to provide us with the sort of information that we need to make a judgment on the matter.

One of the inquiries that we have made of the Ministry of Defence is: knowing historically exactly what the commitments have been over the past 10 years, what would the size of the Army, the Royal Navy and the Royal Air Force need to have been in manpower terms to satisfy the harmony guidelines? I suppose I should not be that surprised that the MOD finds it difficult to answer that question. Will the Minister of State, perhaps not tonight but within the next few days, ask his civil servants to apply their minds to that?

As the Secretary of State confirmed in his speech, the 1998 defence review proposed that we should be able to sustain, in addition to our ongoing commitments in Northern Ireland, Cyprus and so on, one major deployment and one minor deployment long-term commitment at any one time. For the past five years we have sustained two major deployments, which have thrown the harmony guidelines right out of kilter. I submit to the House that to satisfy the harmony guidelines for the Army alone, at the present level of commitment, the Army would have to increase not by 5,000 for the infantry, as the Chief of the General Staff proposed, but probably by about 30,000. We all know that soldiers like to be busy and challenged, and most do not need or want the full gap between tours. That figure, however, indicates how far short we are from matching our manpower and capabilities to our present commitments.

Extraordinarily, we heard from the Secretary of State another bit of wishful thinking that somehow the draw down from Iraq and Northern Ireland will at last create some slack in the system. Ever since the strategic defence review took place, the Government have looked forward two or three years to the time when the harmony guidelines would be met and equilibrium restored. Surely by now we have learned that we cannot opt out of all the global strategic challenges around the word, and that there simply are not enough countries alongside France and the United States—and possibly Russia and India—that can deploy and sustain an expeditionary capability at the scale to deal with the modern security challenges that we face. Therefore, the question that the Government face, and that an incoming Conservative Government would also have to face, is whether to bulk up our armed forces to meet the modern security challenges or to opt out of those global security challenges, on which our security and that of our allies depend.

We should be prepared to contemplate the kind of step change in expenditure seen in other public services: the Government have managed to find large sums for health, education, transport and overseas aid. Why has defence been the Cinderella of our public services when much of the country's freedom and prosperity ultimately depends on the hard power that we deploy to intervene in crisis situations around the world, for our own national interests as well as for the good of the international community?

7.43 pm

**Mr. Mark Hendrick** (Preston) (Lab/Co-op): The Government are committed to our armed forces, and that is manifested in spending. I will refer to some of the points raised by the hon. Member for North Essex (Mr. Jenkin).

Between 1979 and 1997, annual average defence spending fell in real terms. In the five years prior to our coming into office, it fell by £500 million per year. The size of the Army decreased by 50,000 between 1990 and 1997 and by 35,000 in the last five years of the Conservative Government. Given that defence spending under this Government has increased by £1 billion a year, the criticisms from Members such as the hon. Member for North Essex seem strange.

In real terms, the defence budget will be 10 per cent. higher by 2010-11 than it was in 1997. As the Chancellor outlined in the comprehensive spending review, the Government will spend an additional £7.7 billion by 2011. In addition, the Treasury will continue to fund operations over and above the defence budget, from the reserve. Since 2001 it has provided from the reserve approximately £6.6 billion to support our troops on the front line, which flies in the face of what the hon. Member for North Essex said.

Our commitment also manifests itself in equipment. Our armed forces have a tremendous battle-winning capability, which is getting better all the time. In the past three years, the Government have developed and delivered equipment valued at more than £10 billion, and priority is given to equipping people training for operations. The Government continually monitor and respond to the capability and protection requirements of our troops, and have spent more than £2.2 billion on urgent operational requirements. More than £1 billion from the Treasury reserve was spent on force protection.

Over the past few years, the MOD has introduced a range of new systems that have significantly enhanced capability. When we discuss the number of aircraft or troops, we often overlook the fact that modern weapons systems have so much more capability: protected mobility vehicles; new body armour; communications and surveillance equipment; night vision equipment; electronic counter-measures; and improvements in base security.

The comprehensive spending review will allow the MOD to proceed with two new aircraft carriers, which will be the largest ships ever operated by the Royal Navy. By the end of October, 47 Eurofighter Typhoons will have been delivered to the RAF. I am proud that those were developed and assembled by many thousands of skilled BAE Systems staff who live in and around my constituency in Lancashire. As an aside, I would like to mention the fact that there is an umbrella contract for 620 aircraft to be delivered in three tranches; tranche 2 builds are well under way and BAE is working towards tranche 3 proposals by the end of 2007. There are also several promising export opportunities to Japan, India, Switzerland and Greece.

The Government have also shown their commitment in recruitment. According to the National Audit Office report in November 2006, the armed forces have recruited 98 per cent. of their target since 2000-01. On 1 April 2007, the full-time trained strength of the armed forces—177,760—represented 96.8 per cent. of the full-time trained requirement. Army recruitment is up 10 per cent. this year, the number in training has risen by 2,110 since January 2006, and fewer trained personnel left the armed forces than at this point last year. Given the current economic situation, that is a significant success.

Despite that, recruitment remains a challenge. Thousands of new recruits are needed each year, and the market is challenging because the economy is doing so well. The armed forces face competition from other employers and further education. The MOD recognises that there are specific staff shortages—commonly known as pinchpoints—in the infantry, Royal Marines, medical specialists and parts of the helicopter force, for example. The NAO report suggested that the MOD make improvements to accommodation, equipment and training to help to retain staff, and new retention measures have therefore been implemented.

A good deal has been said about pay. The lowest-paid servicemen are receiving pay increases of 9.3 per cent. All other ranks are getting pay increases of at least 3.3 per cent.

The operational welfare package introduced by the Government provides benefits such as free internet access, free phone calls, free mail, a rest and recuperation package and 20 days' additional leave after a six-month tour. The package has been independently assessed twice by the Armed Forces Pay Review Body and deemed one of the best available in comparison with packages given to other armed forces around the world, including those of our allies.

As has just been mentioned, the Government are showing their commitment to the provision of accommodation. To date, 95 per cent. of service families' accommodation in Great Britain is rated at standards 1 and 2, 1 being the highest and 4 the lowest. However, the Government have acknowledged publicly that some service accommodation is simply not good enough. That is rightly one of the MOD's priorities, but, as my right hon. Friend the Minister pointed out, resolving the issue will take time. As has been said, £700 million has been spent this year, and over the next decade the sum will increase to up to £5 billion.

The Government are also improving support for armed forces personnel who wish to buy their own properties. Like those in the rest of society, many people in the armed forces aspire to own their homes. The MOD works closely with the Department for Communities and Local Government to encourage servicemen and women to get on to the property ladder, and to take advantage of shared-ownership schemes such as the key worker living programme.

*[Mr. Mark Hendrick]*

We must consider the changing nature of our defence requirements. The world has changed immeasurably since the end of the cold war, and as a result the threats to our national security have taken different forms. Threats no longer come in the shape of uniformed armies that adhere to the rules of war; there are new threats from enemies who are not easily discernible from civilians. Their methods do not respect any rules of war, and victory is not generally gained via direct battle.

In December 2003 the MOD published its analysis of the future security environment in its White Paper "Delivering Security in a Changing World", which identified three issues as the main threats to the United Kingdom's national security: international terrorism, the proliferation of weapons of mass destruction, and the phenomenon of failed states that can provide havens and sources of support for terrorists and criminal networks involved in the drugs trade or the plundering of natural resources. In addition, internal conflict, poverty, human rights abuse and famine can create the conditions for mass population movements, causing pressure on neighbouring countries or encouraging a surge in migration to Europe.

In future, multiple, concurrent, small-to-medium-scale peace enforcement or peacekeeping operations will become the norm, but the ability to undertake large-scale intervention operations such as that in Iraq in 2003 will remain important. In March 2003, the MOD's joint doctrine and concept centre published its assessment of security threats to the United Kingdom over the next 30 years. It argued that the greatest risk to security would come from the United Kingdom's being unable to acquire or apply resources fast enough to meet the changing threats. That must be of concern to our Ministers, as it will have an impact on our armed forces. It is assumed that in future the UK will generally participate as part of a coalition, and that the most demanding operations are likely to involve the United States. However, European Union co-operation will certainly be necessary, and a coalition operation with the EU when the United States is not involved is a strong possibility.

We still face many challenges. I want to say a little about Iraq and Afghanistan. There have been many challenges in Iraq, and it cannot be denied that the security situation there is difficult, as it is in Afghanistan. However, British forces have achieved much in both countries. In Afghanistan, school enrolment has quadrupled in the past four years. More than 5 million children are now at school, a third of whom are girls. Enrolment in higher education has also increased. There are currently about 180,000 teachers in Iraq, and 1.2 million illiterate people are participating in literacy courses. Some 82 per cent. of the population of Afghanistan are receiving health packages or health care of some kind.

It cannot be denied that serious problems persist in Iraq, especially in Baghdad, which accounts for about 80 per cent. of the violence. However, the British forces are achieving huge success. They have handed over three of the states in southern Iraq, as well as Basra city, to the control of the Iraqis, and, as the Minister said, by next spring the number of British troops will have fallen to around 2,500.

**Mark Pritchard:** The hon. Gentleman has been describing what he considers to be a success. I agree with most of what he has said, but does he see a contradiction in the fact that every day people from Iraq and Afghanistan seek asylum in the United Kingdom? If things were a little better, would we not see a decline in the numbers?

**Mr. Hendrick:** I think there is a decline, to some extent. I speak from experience, because in my constituency I am visited by people from Iraq and Afghanistan who complain that they may have to return to those countries because of the improved security situation, having found a much more secure situation in the United Kingdom. So the position is improving, although that is not easily visible from our limited viewpoint here in the UK.

As I have said, plenty of positive developments are taking place, but many other factors will affect the future of our armed forces. One that came to light fairly recently as a result of a number of reports is climate change, and the way in which it will affect our security environment in the future. According to the International Institute for Strategic Studies,

"The security dimension will come increasingly to the forefront as countries begin to see falls in available resources".

The Nobel peace prize, which is intended for those who

"shall have done the most or the best work for fraternity between the nations, for the abolition or reduction of standing armies and for the holding... of peace congresses",

was recently awarded to Al Gore and the scientists of the United Nations intergovernmental panel on climate change for their work on global warming. Global warming is a huge security threat.

Another thing of which we shall need much more in the future is international co-operation. That means co-operation with the United States, through NATO and through our European Union allies, which will become much more important as the requirements of defence systems become more expensive and sophisticated. We shall see increasing integration of European forces with those of the Americans.

I believe that the Government have shown a genuine commitment to the armed forces in all the ways that I have outlined, and I am sure that they will continue to do so into the distant future.

7.57 pm

**Stewart Hosie** (Dundee, East) (SNP): This has been a wide-ranging debate. I shall touch on only three areas of defence policy. I apologise for being absent for part of the debate; I did not want to miss a meeting with the Border and Immigration Agency. I hope that I do not repeat things that were said earlier.

The hon. Member for Midlothian (Mr. Hamilton), who is not in the Chamber now, raised a number of serious issues, including that of housing for service personnel returning home after duty. He said that in his area it had always been accepted that soldiers would be given houses as long as they were available, and that he had no evidence that it was different anywhere else. I paraphrase what he said.

I have received a telephone call from a serving soldier in Germany who, when he telephoned his local housing department back home, was told that he should return

and declare himself homeless, as that was the only way in which he could get on to a housing list and obtain accommodation. That was wholly wrong and unacceptable, and I agree with the hon. Member for Midlothian that it should never happen in any part of the country.

I want to say something about the regiments and the "golden thread". At the time of the merger of the Scottish regiments into a single Royal Regiment of Scotland, undertakings were given to preserve the golden thread—the link and connectivity—between regiments and communities. In the past, General Sir Mike Jackson described the regimental structure as being

"the absolute bedrock to us".

He went further, saying that the golden thread represented

"the heritage, the history, the sense of belonging that is very much in our minds."

He was right to say that.

However, many of the symbols—only a minor element of this issue—such as cap badges, hackles, kilts and sporrans, as well as regimental traditions, have been quietly done away with. There is now a common parade kit for all five battalions in the Royal Regiment of Scotland, and soldiers of The Black Watch, now the 3rd Battalion of the Royal Regiment, can wear the distinctive red hackle only when in combat uniform.

Perhaps more important than the regimental traditions is the fact that recruits who could previously declare a preference for their local or family regiment are now expected to join battalions where there is a shortfall of troops—for example, 313 men in the Royal Regiment as of September. Those wishing to join up might now be encouraged to join a battalion other than the one that previously would have been their local regiment. It is not hard to draw the conclusion that one reason behind the failure to recruit and retain is the fact that people can no longer simply join the local regiment or even join the battalion within the Royal Regiment of Scotland with which they would most closely identify. I hope that the Government will look again at the conduct of recruitment and retention, particularly within the battalions of the Royal Regiment, although my preference would, of course, be to return to the proper regimental structure.

The defence industry has a significant economic impact, so I shall now turn to jobs and procurement. As well as providing equipment to the services, the defence industry is vital to the Scottish and UK economy. A major issue is how and where the procurement and jobs are shared out. We acknowledge that Scotland is allocated a large chunk of the total amount of expenditure on personnel recruitment—8.5 per cent.—but we also know that the number of people recruited from Scotland into the MOD, service personnel and other bodies is far less than that share represents. We are also aware from the last year for which we have detailed analysis that although 8.5 per cent. is the share of money allocated for procurement of equipment in Scotland, the actual amount of money spent on procurement in Scotland is significantly less. The shortfall in personnel recruited and equipment procured from Scotland amounted to £750 million.

This is not a Scotland-England or Scotland-UK issue: other parts of the UK would say precisely the same. The armed forces should mean something to everybody—in terms of the buy-in to them—and the Government have it within their power, to some extent at least, to ensure that the moneys are spent as evenly as possible throughout the UK.

**Mr. Eric Joyce** (Falkirk) (Lab): Is the hon. Gentleman not trying to have it both ways? He wants the benefit of a critical mass of UK defence expenditure and what that brings to the Scottish industrial base, but he also wants independence, under which he would lose all that. No orders would be placed in Scotland if Scotland was not a part of the United Kingdom.

**Stewart Hosie:** I thank the hon. Gentleman for that intervention because it allows me to make my point. In the past 10 years there have been 4,700 MOD job losses in Scotland. In addition to the shortfall in actual recruitment and procurement from Scotland, the MOD has shrunk there. The job losses are as follows: 1,000 at RAF Lossiemouth, 160 at RAF Leuchars, 180 at RAF Kinloss, 350 at HMS Gannet, 1,500 at Rosyth shipyard since 1997, 1,500 at Coulport since 1999, in addition to some 900 or so at the Clyde shipyards, and eight bases and two supply depots have been run down and closed. Therefore, the argument that a Union dividend protects jobs and services and MOD facilities simply is not true.

**Mr. Kevan Jones**: Does not the hon. Gentleman's party leader want to add to that? If he carries out his threat to stop the UK nuclear deterrent being sited at Faslane, there will be more job losses not only at Faslane itself, but at Coulport, where the missiles are stored, and in the ancillary industries linked to the nuclear deterrent. I am sorry, but the hon. Gentleman cannot have it both ways.

**Stewart Hosie:** That is an interesting point, but previous answers from the MOD contradict that, particularly when they are put alongside research conducted by the Scottish Trades Union Congress and others. The MOD stated in a parliamentary answer of February 2005 that the number of civilian jobs that directly rely on Trident was 936, with 300 jobs indirectly relying on it—a total of about 1,200 jobs.

The STUC tells us that the cost of Trident—the £1 billion a year from general taxation that is simply the capital cost, notwithstanding the £25 to £75 billion lifetime cost—is equivalent to 3,000 jobs in other services, because the money will have to come from somewhere, and I suspect that the Government will not want to raise taxes.

**Mark Pritchard:** Is the hon. Gentleman therefore saying to the House—and to Scotland and his constituents—that those 1,200 jobs do not matter and that their loss is a price he is willing to pay for removing the nuclear deterrent from Scotland?

**Stewart Hosie:** Absolutely not. It is important to remember that Scotland has fewer naval and air force bases than a comparable country such as Norway. We are committed to retaining all the bases, to provide the basis for a properly funded conventional defence force

*[Stewart Hosie]*

in Scotland. No one is talking about jobs being lost. My point is that the argument that we hear time after time from the Government overstates the number of dependent jobs. The proportion of personnel recruited and equipment procured from Scotland is considerably less—about £750 million less—than the annual share of the budget allocated to it.

**Mr. Kevan Jones:** I thank the hon. Gentleman for giving way again. Has he visited Faslane or Coulport? It is mind-boggling to imagine what a conventional force might do with the specialist equipment for handling and resupplying nuclear submarines. I am not sure what conventional defence use the storage facility at Coulport could have.

**Stewart Hosie:** The naval bases on the west and east coasts would be maintained because they would be the east and west coast naval bases for the Scottish defence forces. That is vital.

I have made three points in this wide-ranging debate. The regiments issue is vital because there has been a shortfall in recruitment and retention, and we believe that the association with local regiments—now local battalions—is so weakened that it is leading to people not joining up and not staying. We are concerned about that.

**Mr. Hendrick:** The hon. Gentleman talks about a shortfall in the number of troops in Scotland joining Scottish regiments. I live in an Army town and I have barracks 300 yd from my house. I meet troops regularly in my local pub, many of whom are from Scotland and are happy to serve in Lancashire and elsewhere in England rather than in Scotland.

**Stewart Hosie:** People have the right to join any regiment or corps that they wish, but we have a target contingent for the Royal Regiment of Scotland, and it has a shortfall at present of more than 300. That is an ongoing problem that the removal of the Scottish regiments did not solve. We need to address it properly; otherwise, we will continue to have a shortfall, not only within the Royal Regiment of Scotland but in other regiments in England and elsewhere.

The second point was about the procurement of equipment and the recruitment of personnel. If we are to make the armed forces meaningful for everybody, the Government have it within their power to look at how and where procurement is secured, and at how the budget for recruitment is spent to ensure that the necessary personnel are attracted from all parts of the UK. A huge amount of money is being spent. A large chunk has been allocated to Scotland, and we are well aware that not all of it is being spent in Scotland.

The third point is a point of principle about Trident. The lifetime cost of its replacement will be between £25 billion and £75 billion. We know that 61 per cent. of the Scottish people oppose it and think that the Scottish Parliament should have the power to decide the issue. We know that the majority of Scottish Labour MPs oppose the Trident replacement. The vote in the Scottish Parliament was, I think, 71 to 16 against replacing Trident, so there is a massive groundswell of opinion—political and public—against replacing the Trident nuclear missile system in Scotland. The Government must of course take cognisance of that—and that, of course, is before we enter into any discussions about the morality or legality of nuclear weapons.

I will not touch on Iraq or Afghanistan. This has been a wide-ranging debate, and many other Members have made salient points about those countries. However, irrespective of our opposition to the war in Iraq, it goes without saying that once the troops are in situ, they should be backed 100 per cent., as one would expect.

I do hope that the Minister will, in summing up, look at the three substantive issues that I have raised. The first was recruitment, particularly to the Royal Regiment of Scotland, and the second was recruitment of personnel and procurement of equipment generally, and how the money is spent. Thirdly, I am sure that he will want to make a robust defence of why the Government want to spend £75 billion on a replacement for the Trident nuclear weapons system, at a time when there is overstretch, when there are constant complaints about a shortage of equipment and when the recruitment policy—not just in Scotland but elsewhere—is putting huge pressure on service personnel, who are being sent out for repeat tours, against the guidelines of the MOD.

8.11 pm

**Mr. Eric Joyce** (Falkirk) (Lab): I have two fairly brief points to make, but, first, I want to make a brief subsidiary point, having listened to the hon. Member for Dundee, East (Stewart Hosie). His defence planning is based not on capabilities and resources, but on what badges and tam o'shanters personnel will wear; having done that, one is then supposed to work out how to build force levels and configurations. I do not know whether the Scottish National party still plans simply to line up people up and down the east and west coast of Scotland, looking outwards, but it does rather sound like that. That is all rather hilarious.

The two issues that I want to raise have been mentioned by a number of speakers, but it does no harm to reiterate them. The first issue is housing. Perhaps I might swing the lamp for a bit. In the 1980s, I lived in a military house that had an outside toilet. In retrospect, I swear that it was a cunning plan by the then Conservative Government to toughen the troops by making them run through the winter cold every time that they went for their ablutions. Every time that we went to the toilet, it was like an SAS selection course.

A number of things have been said tonight about what the Government are doing about single living accommodation, and to emphasise how much we need to spend on this issue, on which we need to spend the most at the moment. It is important to remember and to reflect on how we got to where we are now. We need to spend billions—as I understand it, £5 billion is planned to be spent over the next 10 years—to bring service personnel accommodation up to standard.

We arrived at this point in a particular way, and I remember what happened rather well. In 1996—this has probably been said before in this place, but it is good to get it back in *Hansard* from time to time—the

then Tory Government sold off 56,700 MOD homes. It was described as the single largest transfer of residential property in the UK, which it was. According to some accounts, the receipts totalled £2.6 billion, but my recollection is that they totalled £1.9 billion. All the financial press agreed that the property was preposterously under-priced. It was sold fast, so that the then Tory Government could throw a wager—a rather hopeless one—on their winning the following year's election.

The then right hon. Member for Enfield, Southgate, Michael Portillo, whom we see doing political analysis on television, had a number of good jobs in government, and he was a very senior politician in his own right. However, I am not sure, when he looks back on his career, that he will regard his time at the MOD as the best time of his life in politics. In fact, I believe that I have heard him say that on television in relation to a different matter that we need not mention at the moment.

The transaction to which I refer was undertaken in return for a contract that involved the MOD retaining responsibility for maintaining the 56,700 homes. Some 11 years later, I still ask myself why the MOD is still this huge landlord with a huge maintenance bill. The then Government tied themselves to this arrangement in 1996, which has had the obvious knock-on effect of a contractual obligation that today's Government still have to honour.

**Mr. Kevan Jones:** Does my hon. Friend agree that the situation is even worse than he describes? If housing becomes surplus under this contract, not only do the MOD and the taxpayer have to pay money to renovate the houses; in some cases, they have to make substantial improvements at huge cost, and then hand the property back to the private company that my hon. Friend is describing.

**Mr. Joyce:** That is absolutely right. Indeed, a Patrick Barkham article in *The Guardian* back in April dealt with this issue. Essentially, when the accommodation becomes surplus, Annington, which owns it, refurbishes it and sells it on. I might be wrong and the Minister might want to correct me, but, as I understand it, there is no formal mechanism by which those houses can be awarded to service personnel, or offered to them with some form of discount.

In the case of RAF Coltershall, which was referred to in the newspapers, Annington agreed that half the houses would go to service personnel. *The Guardian* cited the case study of a woman and her family who literally camped out for several days to get a house, because they were required to spend 22 of every 24 hours in the queue. Her husband was in Iraq, and in order to succeed—the price had not been confirmed—they had to queue up. Perhaps the Minister will comment on that when he winds up. Although this issue is not the MOD's responsibility, I hope that it can persuade Annington to look again at whether it is appropriate to have the families of service personnel camping in a field to get a surplus house.

Before I came to the House tonight, I visited the website of Terra Firma, a powerful and successful private equity company that I would not criticise per se, and which put together this deal. As I understand it, the Nomura bank was the primary investor. However, it did not have that English, home counties twang, so Annington—the name sounded a bit more English, and a little more acceptable to some who objected at the time to a Japanese investment bank taking over MOD quarters—was chosen as the name of the vehicle. However, that is ancient history.

I was interested to read how Terra Firma describes what it does, and why it is so successful as a private equity vehicle. We should bear it in mind that the following was written in 1996, after 17 years of Tory government:

> "Terra Firma focuses on businesses where our views differ from the market consensus. Companies that are out of favour, usually as a result of being neglected, under-managed or under-invested by their owners."

That is the state that MOD housing was in at the end of the period of Conservative government. After years of neglect, the then Government sold off housing cheap, hoping to bolster their chances at the following year's election. That clearly did not work, but the last thing on their minds when they sold those houses and created the mess that we have today, which the Labour Government are doing their very best with, was the welfare of service personnel.

The hon. Member for Canterbury (Mr. Brazier) made a number of excellent points about garrisons. There is a danger that the big garrisons that we inevitably have now will lead, if we are not careful and do not take appropriate steps, to a greater degree of insularity, in that fewer people in civilian life will have contact with service personnel. That is why the Territorial Army is so very important. The hon. Gentleman talked, as did several other Members, about the military covenant. We need to think of it not simply as a covenant between the armed services and the Government. It is about much more than that—it is about society and the way that society is.

Earlier, I was fiddling around with my biro, wondering about its size. It is bigger than a 5.56 mm round, but a bit smaller than 7.62 mm ammunition. However, let us say that it is the same as the latter. Looking at it, one can see the sort of bullets shot at British service personnel by enemies across the world. That is why I prefer to call the military covenant "rule 762": it is easier and has a nicer ring to it.

The term "military covenant" is one that people who are not acquainted with military language, acronyms and the oddities of the way we speak about service issues find hard to get their heads around. It means that service personnel—of all countries, as the concept is not confined to Britain—take extraordinary risks on behalf of their nation and that, in return, that nation honours them and looks after their unique needs. No one can argue with the concept, so the question is not whether we agree with it, but whether we observe it.

The Royal British Legion campaign makes some valid policy points, although other elements are more arguable. Yet all hon. Members will agree that it makes an important philosophical point, and that it poses a question that society at large must answer. I do not want to sound too high minded, but I believe that all Members of Parliament, like many people outside, have a role to play in reminding the public of the extraordinary things that our service personnel do for our country. Every time people fiddle with a biro, they

*[Mr. Joyce]*

can use their imagination to remind themselves of the military covenant—or rule 762, if they prefer to call it that.

Service personnel face extraordinary dangers on our behalf. The responsibility to ensure that that is remembered does not lie only with politicians or people interested in politics, but with society as a whole.

8.21 pm

**Sarah McCarthy-Fry** (Portsmouth, North) (Lab/Co-op): In this debate, I want to consider globalisation—how we can face the challenge that it poses, the role played by defence in doing so, and the interaction between defence policy and international development policy. However, before I touch on those matters, I want to take advantage of my first opportunity since the conclusion of the naval base review to convey the thanks of Portsmouth people to the Ministry of Defence and the Secretary of State for the far-sightedness and excellent judgment displayed in their decision to keep all three of our bases open.

That, of course, was what we in Portsmouth advocated all along, for sound military and strategic reasons. We also had a sound financial case, and I should like to place on record my thanks to everyone involved in the campaign. That included neighbouring MPs from all parties, the South East England Development Agency, the Government office for the south-east, the city council, the Royal Navy, our industrial partners in the naval base, the trade unions, our local newspaper, the people of Portsmouth, and the many serving and ex-serving Royal Navy personnel from all over the world. They could not imagine Portsmouth without the Royal Navy—or, indeed, the Royal Navy without Portsmouth.

The announcement that the bases were safe from closure has given a huge boost to the morale of all who work in the naval base. Yesterday, I welcomed our new Minister for the South East, my hon. Friend the Member for Chatham and Aylesford (Jonathan Shaw), to Portsmouth and accompanied him on a very quick tour of the naval base. The important thing that I pointed out to him was that the success of our operations in Portsmouth was due to partnership working between the Navy and our industrial partners, which I believe to be an example of best practice.

The Minister was able to see that for himself on a visit to the VT Shipbuilding yard, when he inspected the bow sections of the type 45 destroyers that are under construction there. We were, of course, also able to show him where we are going to berth the two new aircraft carriers. They will dwarf any other ship that is or ever has been based at Portsmouth, and will be a very visible reminder to the people of the city of its strategic importance to the defence of our nation.

The wider message of the decision to keep all three bases open, and of the announcement of the decision to go ahead with building the two new aircraft carriers, is that this Labour Government are committed to a strong Royal Navy that is able to carry out its duties, not just patrolling our own shores, but further afield. Given that most of our world is water, the carriers will ensure that Britain's contribution to being a force for good in the world includes a strong maritime presence. As many hon. Members have said, it is unlikely that we will act on our own as a nation state in the foreseeable future. We will be acting as part of a multinational coalition, so the two new carriers will mean that we will be bringing some serious equipment to the table, and that our voice is heard in a multinational maritime strategy.

That brings me back to the argument about globalisation. Over the past 10 years, we have heard a lot about the challenge of globalisation, but mainly in an economic context. The global market place is much more developed than it was even 20 or 30 years ago. In the new global electronic economy, finance and capital can be transferred around the world at the click of a mouse. Products can be produced in, and services provided from, anywhere in the world—but a question mark hangs over how far nation states can manage their own destiny. For a recent example of that, we need look no further than what happened with Northern Rock: that problem was caused not by our economic actions, but as a consequence of lending decisions in the US.

One of the biggest effects of globalisation is the transfer of information. The advent of satellite communications—by the way, that is yet another technology manufactured in Portsmouth—means that instantaneous communication is possible between one side of the world and the other. We have seen the effect of that already in the defence context, with pictures from operational theatres being sent by mobile phones. We have had to modify our rules and regulations to take account of that.

However, instantaneous electronic communication is not just about conveying information more quickly. It is about information reaching people who have never been reached before, despite the efforts of the nation state to prevent it. Again, we just have to look at the events in Burma a few weeks ago to see an example of that.

So, in defence terms, where does that leave the nation state? Professor Anthony Giddens has said:

> "nations no longer have enemies...Nations today face risks and dangers rather than enemies, a massive shift in their very nature."

Is he right? If so, we need a defence policy not against a specific enemy, as in the days of the cold war, but one that is flexible and enables us to respond rapidly to whatever risks and dangers may emerge.

Is globalisation one of those risks? Is it a threat against which we should be defending ourselves, or is it a good thing that we should encourage, as it opens up the world and opens up opportunities for people to grow and develop? It is probably both: we do not have to look too far into the future to see a growing world population, with everyone competing for limited resources, such as water, food and energy. Inevitably, that will produce tensions. We can see new, growing economies quite rightly wanting their share of those resources as they develop, and people in those countries wanting to share in the lifestyles that they are increasingly able to see in more developed countries through the internet and mobile phone networks.

We must ensure that competition for resources is based not on defending or trying to seize access to the

world's resources by force, but on encouraging stability and democracy in less developed states, and in states that are unstable and have no democratic rule of law. So defence policy, foreign policy and international development policy become increasingly intertwined, and our modern armed forces must be equipped with the training and the resources to undertake that increasingly multi-faceted role.

In June I was lucky enough to visit Afghanistan, where I saw that multi-faceted role in action. We are not in Afghanistan as part of an invading force taking over the country, but at the invitation of the Afghan Government to help them bring about democracy and stability, which the people of Afghanistan need so that they can move forward. When our forces go into villages in Helmand province and ask villagers what they want—schools, hospitals or roads—the answer is always security first. They want security for themselves and for their children, and only then do they want health care, transport infrastructure and education.

Democracy and stability in Afghanistan are also in our national interest, to prevent the country from becoming a base for international terrorism that threatens our safety and security. That does not apply just to Afghanistan; we need democracy and stability in all nation states if we are to prevent future armed conflict in a growing world population eager to share in growth and prosperity, but competing for limited resources.

In Afghanistan it is clear that we shall not achieve that objective with firepower alone: to use a well-worn phrase, shock and awe are not enough. We need to use another well-worn phrase, and win over hearts and minds. The Taliban do not have popular support among the Afghan people, most of whom are afraid of them. The Afghan people need to know that the international forces are in it for the long term, and that we will not abandon them if the going gets rough. The worst of all worlds would be for them to kick the Taliban out with our help, only for us to decide to pull our troops out of Afghanistan because it is too dangerous.

**Mark Pritchard:** The hon. Lady is making an excellent contribution to the debate. Will she join me in congratulating the Government of Pakistan on their recent efforts on the Pakistan-Afghanistan border, which have achieved success in taking out much of the Taliban leadership in that area? That success has been a long time coming, but now that it has arrived it is most welcome, so I hope she will endorse the actions of the Pakistani authorities.

**Sarah McCarthy-Fry:** I thank the hon. Gentleman for that intervention, and I am happy to support his comments. When I was in Afghanistan, the conversations I held with the ambassador made it clear that Afghanistan alone could not solve the problems; the solutions have to be regional.

Winning over hearts and minds is a slow, painstaking process; we need to win people's trust. Earlier, the Secretary of State laid out our achievements in Afghanistan, not in traditional military terms of enemy killed or ground taken, but in terms of the number of children in school, how many of the population have access to basic health care and how far we have reduced poppy cultivation. In the north of the country, we have achieved a reduction. Contrary to the comments of my right hon. Friend the Member for Edinburgh, East (Dr. Strang), who is no longer in the Chamber, military contributions helped in that process, because peace and stability in the north were achieved first. Farmers feel that poppy cultivation now poses more risks, which they are not prepared to take. They have more choice and feel more comfortable exercising it, because they know that the police and the Government will back them up. Our military presence is delivering for the Afghan police and Government the capability to do that.

We have a long road to travel in the rest of Afghanistan, especially in Helmand, but just because we do not always measure our achievements in military terms does not mean that they are not military achievements. During my visit to Afghanistan, I was struck by the understanding among troops at every level of the complex nature of the operations they were facilitating and the delicate balance that had to be struck: on the one hand, raw soldiering to drive out the Taliban, and the next day setting up a shura, or village community meeting, finding out who the tribal leader is and helping them decide for themselves what they want for their community.

Every soldier, sailor and aircrew member I met understood the politics of the situation; they understood the tribal nature of the population and the need to establish real Afghan ownership of the reconstruction projects under way. I can tell the hon. Member for North Devon (Nick Harvey) that is not an aspiration—it is happening. Afghan faces do not merely head up projects; local Afghan labour is being used.

Some of the service personnel whom I met who were doing that work were from the joint CIMIC—Civil Military Co-operation—group. Such an undertaking is nothing new. A civilian-military liaison branch of the Army was first set up in 1941, and in 1944 and 1945 teams moved into liberated towns in France and Germany, along with the leading troops, to occupy local government offices and establish authority. In 1997 the joint CIMIC group was established—a specialist unit that manages the interface between military and civilian organisations wherever British forces are deployed on operations.

The majority of personnel in the unit are reservists who hold civilian jobs and have specialist skills for the type of work undertaken. I echo the remarks of the hon. Member for Canterbury (Mr. Brazier) in welcoming that work, and I too hope that more reservists will be used in that way, especially in Afghanistan.

During my visit to Afghanistan, some of the most heart-warming and positive stories that I heard about reconstruction were from CIMIC personnel. The one that sticks most in my mind was from a Royal Navy female reservist officer who works with women in the villages. She speaks Pashtu and Dari, so that she can talk to the women in their language, and she is now on her second six-month tour of duty. She is working on a project with widows, because in Afghan society widows, with no husband to protect or support them, are totally isolated and have no income. The CIMIC officer works with village elders to set up women's

*[Sarah McCarthy-Fry]*

centres that provide training in skills such as tailoring or chicken farming. Other projects offer micro-finance, so that women can start their own businesses and bring money into their local village community. As yet, there is no proper adult literacy programme in Helmand, so the officers are also teaching the women to read and write through these women's centres. The women are organising and are learning from each other. That is a breakthrough, because previously they were isolated in their own compounds.

This officer is not only performing that international development role, but she is very much a serving member of our armed forces, and just a few days before I arrived, she had come under fire from a Taliban attack. We need these CIMIC officers, because it is too dangerous for non-governmental organisation civilians to do this work, but I agree with the Secretary of State that the long-term aim must be for the NGOs to take over, although that will be a long road.

It will be a long, hard slog in Afghanistan—one that is dangerous for international coalition troops—but it is necessary. I asked one of the CIMIC reservists whom I met why he kept volunteering to come back to Helmand. He said:

"Politicians talk about a failed state but when you have seen a local hospital where the surgeons have to scrub up at a hand pump in the yard and if someone dies on the operating table the body is thrown out the back door because there is no mortuary, that is what I call a failed state, that's why I'm here—for the people of Afghanistan".

In Afghanistan at least, the edges around a strict definition of a defence role, an international relations role or an international development role are blurred. I am clear that our defence emphasis in tackling the challenges of globalisation and preventing armed conflict over access to scarce resources, either where they lie or where the instability could make them a target for malign forces seeking to seize them, should be through supporting stability and democracy in those states. Having seen for myself in Afghanistan, I am clear that our armed forces are the best in the world at doing just that.

8.36 pm

**Mr. Kevan Jones** (North Durham) (Lab): May I start by agreeing with what my hon. Friend the Member for Falkirk (Mr. Joyce) said in his conclusion? The onus is on us all, especially people in this debate, to keep reinforcing, not only to the general public but to some of our colleagues, the debt of honour that we owe our servicemen and women. For the past six years, I have had the privilege of serving on the Defence Committee and have met servicemen and women all over the world, including in this country, who are doing a tremendous job. I think that the average person no longer recognises what such people do. I have no problem with the idea that we should do the utmost for those people, not only when they serve in Her Majesty's armed forces but after they leave.

The thing that saddens me is the way in which the matter is being used on a party political basis. That was demonstrated tonight in the contribution from the hon. Member for Woodspring (Dr. Fox)—I am sorry that he is no longer in his place. As my right hon. Friend the Member for Walsall, South (Mr. George) said, it is wrong to take one example and then say that because one person has complained, everything is bad. I take exception to some of the things that hon. Gentleman said about Selly Oak, because I have visited it. I shall return to that matter in a minute.

We are also reaching a point where the media is focusing in on this matter. It should criticise Government when they get things wrong. People in this House know that I criticise the Government when I think that they have got things wrong on the armed forces. One example from last week that stuck with me—this was raised earlier—was the fitting tribute at the national memorial arboretum, which I believe was well attended. The right hon. Member for Witney (Mr. Cameron) was invited to that event, but he chose to go to California to visit Arnold Schwarzenegger. I am sure that had one of our Ministers or any Labour politician done that, they would have been rightly pilloried. Such is the debate and tempo that we are in at the moment.

The line has clearly come from the Conservative party that it is the only one that understands defence and that Labour does not, and that it is the only one that can deliver for the armed forces. I must give 10 out of 10 to my former Select Committee Chairman, my right hon. Friend the Member for Walsall, South, who rightly reminded us of the Conservatives' record in office on the armed forces.

I am sorry that the hon. Member for Woodspring is not present, because he referred to the case of a Private Cooper and implied, wrongly, that that young man had acquired clostridium difficile from dirty hospital wards at Selly Oak. I must put on the record what happened. Had the hon. Gentleman taken the trouble to read last week's edition of *The Mail on Sunday*, he would have got the true story, but that would not fit his facts. He tried to imply—"nudge, nudge, wink, wink"—that everything is bad. In fact, the surgeon who operated on Private Cooper said:

"He underwent major bowel surgery at the Queen Elizabeth Hospital"—

which is part of the Selly Oak complex—

"in Birmingham on October 5. During the procedure he had just one dose of antibiotics, in line with best practice for bowel surgery to prevent infection.

He is being treated for a presumed diagnosis of C. difficile. He has been cared for in a single room since his stay in the hospital and every precaution for preventing infection has been taken.

It is entirely possible that Jamie had been harbouring the C. difficile organism in his bowel, as many patients do."

If the hon. Gentleman had explained that, it would have put a different complexion on the slight that he was trying to put on the good staff—people I have met on two occasions now—at Selly Oak.

**Mark Pritchard:** I know that the hon. Gentleman always seeks to give a complete picture in speeches to the House. In that regard, does he agree that pre-screening of elective cases before admission to acute hospitals is the way to proceed? If he does agree, perhaps he could have a word with the Secretary of State for Health so that we might see a reduction in all the superbugs, be it the one that the hon. Gentleman mentioned, VRSA or MRSA.

**Mr. Jones:** That contribution is not worth replying to, because I am dealing with the actual facts and the Conservative Front Bencher was trying to paint a picture that is not actually the case. It is important not to run down and criticise dedicated members of the armed forces and the NHS who are working in difficult circumstances.

I wish to concentrate on two areas. The first is current operations and the second is the welfare of the armed forces and their families. I have visited Iraq now on five occasions. I voted for the invasion of Iraq and I will defend that decision until the day I die. It was not an easy decision for me, or for many hon. Members who voted for the war. I took that decision on the information that was presented to me at the time and if we all had crystal balls, politics would be an easy profession.

I have seen a deterioration in the situation in southern Iraq, but progress has been made and pulling back to the airport is the right decision. However, there are some serious questions to be asked about what we do next. Although I accept that the withdrawal and reduction in numbers is welcome, I am not sure how long we can sit at the airport and to what military purpose.

I suspect that the solution in southern Iraq will not be military: we passed that point quite a long time ago. The solution will be a political one and, as the Prime Minister said the other week—and we should not underestimate this factor—an economic one. Some of the regional players need to play a part in that.

I have visited Afghanistan three times in the past two years, and I agreed totally with my hon. Friend the Member for Portsmouth, North (Sarah McCarthy-Fry) when she said that it will be a hard slog. It is important not to merge the operations in Iraq and Afghanistan. It is convenient to do so, but it is important to keep them separate. Is the situation in Afghanistan challenging? Yes, it is. Have we made mistakes in the past? Yes, we have, and some of them were political. The impression given when we moved to the south was that it would be an easy operation, but that was never the case. Giving that impression may have been a mistake in terms of the debate.

Progress is being made, and I have seen that on the three occasions that I have visited Kabul. It is also being made in the north, in Mazar-i-Sharif, where reconstruction is taking place. However, if we are signed up to this project for the long term, we—and I mean not just the governing party—must recognise that it will be a long process and that there are no quick wins, although there are some wins, as explained admirably by my hon. Friend. I agree with the comments made earlier that we should not look at Afghanistan without taking into account what is happening in Pakistan.

As my hon. Friend the Member for Midlothian (Mr. Hamilton) said, it is important to recognise that Pakistan's Government are taking tough steps to try to bear down on the Taliban. Ultimately, the solutions to some of the problems will not be military. It might be unpalatable, but ultimately, in certain areas, we may have to do deals—not with hardcore members of the Taliban or al-Qaeda, but with some tribal leaders in southern Afghanistan and northern Pakistan. People might disagree with that, but ultimately if we are to defeat hardcore Taliban and al-Qaeda members, that is the approach that needs to be taken in southern Afghanistan and northern Pakistan.

As I say, I have visited Iraq and Afghanistan in the past few years. If I am asked, "Do you hear individual complaints about things?" the answer is yes; we always do, as was said earlier, but we have to recognise that the story has moved on. We still read about shortages of body armour and protective vehicles, and we heard comments on those subjects again tonight. However, people who go to Iraq and Afghanistan now will see that the Mastiff vehicle is in theatre, is saving lives and is very popular among members of the Army. Body armour is available in large enough quantities, and it is proving very effective. We should not get stuck in a time warp, as we do in some debates on the subject. Every time that I go to Afghanistan and Iraq, I ask commanding officers and troops about equipment. As my hon. Friend the Member for Midlothian said, we hear very few complaints about it. Obviously, we hear complaints about various other things, and we try to take those points on board and feed them back to the Ministry of Defence.

There are plenty of armchair generals telling us how to win in Afghanistan and Iraq, but the people, and certainly the senior generals, to whom I have spoken never have the idea that the Government have not stepped up to the mark when it comes to providing equipment. The press tries to give the impression that this naughty Labour Government are trying to prevent the equipment that generals are asking for from going to Iraq and Afghanistan, but I have never met a senior general in either of those countries who has told a member of the Defence Committee, "The Government are not providing x, y and z." On the urgent operational requirements that we have met, we have purchased some very good equipment with our £2 billion, and with the £1 billion for force protection. That is important to remember.

It is interesting to see the game that is being played by the Opposition. I have to say that it is what all Oppositions do; we did the same when we were in opposition. The Opposition can call for more money, but they never work out how they would spend it. It was sad that the hon. Member for Woodspring started off on the subject of defence spending by discussing it as a percentage of gross domestic product, but would not say what his figure for defence spending would be. I am like my right hon. Friend the Member for Walsall, South, who was obviously a bad influence on me when I was first elected: I always argue that more money should be spent on defence. However, I would not give the military a blank cheque that we should just forget about.

As for some of the criticisms that senior generals such as General Dannatt make of the defence budget and how we spend it, while they say that we are overstretched, they live in palatial accommodation, and have members of the armed forces serving at their dinner tables or working in their garden. General Dannatt flies around the UK in helicopters while arguing that there is a shortage of helicopters in Afghanistan. I know how much it costs me to travel to Durham every day, but when General Dannatt went

*[Mr. Kevan Jones]*

earlier this year, it cost him over £2,000, because he went by helicopter and private jet. If we are to home in on the constraints of the defence budget, senior generals need to think about how they conduct themselves.

**Mark Pritchard**: To enlighten us further, will the hon. Gentleman share with the House what he feels is the appropriate level of accommodation for such a senior general? Furthermore, what mode of transport would he have recommended for that trip—a tricycle, boat, barge or what?

**Mr. Jones:** It is quite easy to travel to Durham. There are at least 10 flights a day to Newcastle and a similar number to Teesside airport; God knows how many rail journeys there are to Newcastle and Durham. It is easy to make a flippant point such as the hon. Gentleman's, but is it right that, for example, members of the armed forces still act basically as servants in people's houses? No, it is not. If people are going to criticise this Government for levels of expenditure, they should look at what they are doing themselves. Questions need to be asked about the idea that a general should fly in that way to Durham—to address, as it happens, an organisation run by a private lobbying firm.

**Mr. Brazier:** The hon. Gentleman was making a thoughtful and interesting speech until that point; it is a great shame that he spoilt it by that petty gibe, aimed at somebody who cannot answer back. May I remind the hon. Gentleman that he is sitting on the Benches of the party that has just thrown away another £6 million on a new communications allowance for MPs?

**Mr. Jones:** We did not, actually; that was voted for by Members of this House, including some on the hon. Gentleman's side. Even those who voted against it will no doubt spend it. I am sorry, but we cannot have such one-way criticism. As the hon. Gentleman knows, I respect him, but all I am saying is that if we are considering the defence budget, we should look at everything in it.

I turn to welfare for Her Majesty's armed forces and their families. Whenever I visit members of the armed forces, I am always impressed not only by the young men and women themselves, but by the amount of responsibility that they carry on their very young shoulders. Sadly, some of them pay the ultimate price of losing their lives or having terrible injuries.

We have heard again tonight about the "terrible" situation at Selly Oak hospital. I should like to put the following on the record, as it is important. An urban myth has built up that somehow the hospital is letting down our armed forces. Given the last two occasions on which I visited, I do not think that anything could be further from the truth. The urban myth drips out of newspaper articles as if it were the truth. In *The Sunday Telegraph* last Sunday, Tim Collins wrote a good article—but sadly, he used the words:

> "As a result, the broken and injured servicemen and women are brought back to the UK to face at best indifference, at worst abuse in the mixed wards in the notorious Selly Oak Hospital."

I am sorry, but it is not notorious. Dedicated men and women from the armed forces and the NHS are working at the hospital. When, as part of the Defence Committee's report into medical services, we visited it recently, we saw some first-rate treatment. When I was there, I put to Julie Moore, chief executive of University Hospital Birmingham NHS Foundation Trust, some of the headlines that had appeared in the newspapers in the previous six months. On 2 October 2006, *The Daily Telegraph* carried the headline, "Muslim accosts injured Para in hospital". On 5 March this year, the *Daily Star* had this one: "Hero squaddie told by British hospital to strip uniform as offensive to Muslims". Finally, on 10 June this year, *The Mail on Sunday* ran the headline, "Muslim women abuse soldiers at troops' hospital".

I put those headlines to the chief executive, because it is important to get to the truth. If the stories had been true, I would have been totally appalled by them. However, what Ms Moore said was interesting. In respect of the first headline, there were no Muslim nurses on the ward in question; in response to the article, every soldier there had been interviewed, along with representatives of the Royal Centre for Defence Medicine, but nobody had complained about what had been alleged. The second article was partly true, in that people are told to take off their uniforms if they are going to get into bed. However, anyone who has been to Selly Oak will see uniformed armed forces personnel walking around, so it is simply not the case that they are not wearing uniform. For the last claim, she could find no evidence whatsoever. I put those questions again to the clinical director, Dr. David Rosser, and asked whether he could find any such instances that had really taken place. His answer was no, and neither could the chief executive. We have to deal with fact, not mythology. Before people repeat the kinds of things that they have during this debate, they should go back to the facts in question.

**Ann Winterton:** Did the chief executive or the clinical director take any action by writing letters to editors of the newspapers concerned in order to refute the articles that had been printed?

**Mr. Jones:** Yes; I am grateful to the hon. Lady for raising that point. When I asked Miss Moore,

> "Have the national newspapers contacted you to actually ask you before they print these?",

she said:

> "For those that were printed, no. For one of the stories one of the newspapers did contact us, we told them it was not true and they did not run it. Another newspaper, despite being told so, continued to run it. When we have been asked for comments we have strongly denied them. In relation to some of the stories I wrote letters to the editors and they were quite long and they published a paragraph or two. In most instances we were not asked to comment."

As long as people who repeat those stories from newspapers deal with fact, I do not mind. If some of them were true, I would be as angry as anybody, but they clearly are not.

**The Parliamentary Under-Secretary of State for Defence (Derek Twigg):** My hon. Friend will know that I visit Selly Oak regularly and take a great deal of interest in it given my responsibilities. I was there only a

few weeks ago and spoke to nearly every injured service person on the ward. To a man, all said what excellent treatment and care they had been given. I also talked to their families. I do not know what the hon. Member for Westbury (Dr. Murrison) is smiling about—it is a fact. If he wants to challenge it, let him intervene, by all means. I am disappointed that he is smiling about such an important issue. I got a clear message from the families. I heard tales of nurses sitting up all night comforting injured service persons and of surgeons undertaking mammoth operations and coming in on their days off to ensure that our people get the best possible care and treatment. That is what Selly Oak is about.

**Mr. Jones:** I entirely agree. We also need to give thanks to the dedicated NHS nurses who sit up with patients and have a real passion for the work that they are doing in caring for these young men. I want to give credit to the surgeons, as well. There has been a great deal of debate about whether we should have separate service hospitals, but the medical care and operations at Selly Oak are not only examples of the best treatment in this country but some of the best in the world. I would like to see a few stories about the pioneering surgery that has been taking place there, but they are obviously not going to appear. I hope that we will be able to cover some of these issues in our report later this year.

I am concerned about how individuals access the medical system when they leave the armed forces, and some improvements might be needed. In view of the covenant that has been mentioned, we should ensure that people who leave the armed forces are tracked through the medical system. This Government set up the Veterans Agency—public acknowledgement of the fact that we have veterans. I am pleased about the announcement on the medical assessment centre at St. Thomas's to treat veterans with possible mental health problems that go back to 1992. I hope that that work not only assists the research that is required into such problems, but helps the effort to support in the community some of those who sadly have to deal with manifest mental illness for quite a long time after they leave the armed forces.

As for the ability of service personnel to raise problems that they may face in the armed forces, I think that all three services need a voice—that is why I proposed my private Member's Bill in the support of the British Armed Forces Federation earlier this year. That independent voice is very important. I respect the work of various service charities, but I have to say with respect to the Royal British Legion campaign that although I agree with some of it, it seems to be venturing into areas of politics where it should not go. It could be dangerous if it goes any further down that road. As part of its public campaign, it should at some stage recognise what the Government have done.

Finally, I want to speak about the debt of honour and recognition of servicemen who are killed or wounded in conflict. We seem to have a bit of a strange view—though I understand it up to a point—that we should not give medals to people unless for bravery or some special tier of duty. I believe that there is now a good case for granting some type of honour for those who are severely wounded or killed in action; such recognition is so important for the families. I thus congratulate the *Daily Mirror* on its "honour the brave" campaign. I hope that the MOD can overcome the natural conservatism of our armed forces and try to ensure that, as in other nations such as Canada and the US, we bestow some sort of honour in recognition of those whose ultimate act is to give their lives for the freedoms that we take for granted. It is important to acknowledge their role in some way.

9.1 pm

**Mark Pritchard** (The Wrekin) (Con): I apologise for not being present for the whole time, but I am grateful to be called to contribute to what has been a good debate.

I agree with the hon. Member for Portsmouth, North (Sarah McCarthy-Fry) that Britain is a force for good in the world. We should hear that much more and I believe that we have seen a consensus tonight that liberty, freedom, democracy, human rights and equal rights are universal aspirations that peoples all over the world wish to enjoy. We are often called on as a nation—as are our brave servicemen and women—to enforce British foreign policy or international law, but we can do so only with the right level of armed forces. My hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) was absolutely right to say that the current level of UK commitment needs to be backed up with appropriate levels of personnel and equipment. I believe that a strong defence means a strong peace. We often talk about peacekeeping operations as well as aggressive operations and the same rules apply in respect of having the right level of capability.

I will touch only briefly on Afghanistan and Iraq later, as they have been ably covered in great detail this evening. I would like to deal with a few areas that have not been elaborated on so far. First, given that this is a broad defence policy debate, I would like to discuss the ballistic missile defence shield. The fact is that in July and November last year I asked two questions about it—*[Interruption.]*—and I am pleased to see that the Secretary of State is in his place to hear my thoughts on the matter.

It is time that we had a proper debate on Britain's role in the ballistic missile defence shield. Some people say that the current technology does not work. Well, that is what they said about the tank when it was first rolled out and we know that it has developed somewhat since 1915. I believe that the technology is getting there. There is no doubt that the proliferation of nuclear weapons and the increased number of countries with access to intercontinental ballistic missiles means that Britain is more vulnerable now than ever before, as other Members have suggested. It certainly will be in the next few years if Members do not accept my premise on that point. That being the case, we need to be clear that our first duty as MPs is to ensure that we defend our nation. We must therefore ensure that we are part of the American ballistic missile defence shield.

Of course, a very expensive price tag is attached, which is why I suggest that the quid pro quo for the Americans having their eyes and ears at Fylingdales and one or two other places in this nation is that the Pentagon picks up the bill for the ballistic missile

*[Mark Pritchard]*

defence shield, so that it is not a spending commitment but a commitment, as I am sure the Secretary of State would agree, to ensuring that this nation and our constituents are protected in future.

Japan is making its own way. It has the Americans using Aegis destroyers off its coast, with ship-based missiles that can track and intercept incoming missiles to Japan. There are also other platforms, such as airborne ones with specially adapted 747s, and land-based systems that might be placed in Poland and the Czech Republic. It is right that we should have a debate on whether we should have land-based or other forms of platform that can track and intercept intercontinental ballistic missiles that might come our way in the future.

Of course, some people say that, if we do that, we will put the United Kingdom at risk. In fact, we are already at risk if we supply the eyes and ears to the Americans, through Fylingdales and other bases. If there were a simultaneous attack on the UK and America, the UK would be in a farcical position. Someone from Permanent Joint Headquarters or the equivalent could phone the Pentagon and say, "There are missiles coming on your eastern seaboard", and the Americans could interdict those missiles, but we could do absolutely nothing about the missiles coming to the UK. It is a mistake of any Government—indeed, any Parliament—to say that that threat will never be realised and that that risk is minimum. We must be prepared for the unexpected; so I hope that the Secretary of State will take this opportunity to say that there will be a full debate about the future of the ballistic missile defence shield and the UK's role in it.

That brings me to the Trident replacement. I remember the former Foreign Secretary controversially opening the debate on that and the Secretary of State closing it. In that debate, I welcomed the Trident replacement, but I also mentioned new technologies. The hon. Member for Portsmouth, North talked about the flexibility of weaponry, and again she was absolutely right. The trouble with nuclear weapons is that there is very little flexibility. Yes, we must have a deterrent; yes, the deterrent has worked; but I humbly submit that we need something more than conventional weapons and something less than nuclear ones.

Of course, if we use nuclear weapons, there is nuclear fallout, huge international political fallout and moral fallout. They are the weapons of last resort. We need a new weapon that gives us more flexibility to send a very powerful message to our would-be enemies if we need to do so that is greater than that associated with conventional weaponry. So what is that new technology? It is hypersonic technology, and the Secretary of State knows a lot about it.

Hypersonic mass technology will give us such flexibility, because it allows the UK to tell a rogue state or an enemy that, by ratcheting up or ratcheting down, we can take out a military town, a military city or even a military hamlet. Of course, conventional weapons are limited in their capability. If we wanted to focus on a military town to send a message to a rogue state that was threatening us with intercontinental ballistic missiles, perhaps nuclear tipped, we would perhaps not want to consider the nuclear option. So we need a middle way, and it might be hypersonic mass technology.

**Mr. Kevan Jones:** I am listening carefully to the hon. Gentleman's speech, but I am also looking at the expression on his Whip's face, and he is rather perplexed by what is being proposed. Will the hon. Gentleman explain how that technology would be paid for and what it would cost?

**Mark Pritchard:** It is a question of opportunity cost; what is the cost of not responding to our enemies? The greater cost would be to make the error of judgment of using a nuclear weapon, which would carry a greater political, moral and even financial cost. It would contaminate a whole country or region. The consequences of using nuclear weapons are perhaps more severe than the consequences of using the technology to which I am referring.

If the hon. Gentleman has other ideas, I would be happy for him to submit them to me at some point and to discuss them with him. I know that he is a distinguished member of the Select Committee on Defence, but tonight he has been unusually a little bit prickly for some reason, even though he is mostly amiable. It is a bit untoward of him, at best, to attack my hon. Friend the Member for Woodspring (Dr. Fox), given that it is absolutely right that Her Majesty's Opposition should ask difficult questions. When we do not ask questions, his party says that there is no opposition; when we do, it says that we are being party political.

**Mr. Jones:** I have no problem with the Opposition, or anyone in my party, asking the Government difficult questions. The Secretary of State knows that I do it all the time. What I greatly object to is the hon. Member for Woodspring telling the House things that are not correct.

**Mark Pritchard:** Shall we go back to the Iraq war and the dodgy dossier? We have not got time. I take the hon. Gentleman's point, but we do not need any lectures from his party on the truth and our armed forces.

I would like to move on to commenting on new technologies in Iraq and Afghanistan. Unmanned aerial vehicles are very important in the field today, and I hope that the Secretary of State will be able to furnish the House soon with details of Raven and other UAV projects currently under way. The Government should also be putting far more pressure on the Americans to provide an interim solution—the Predator armed UAV. It can give more flexibility in Afghanistan and Iraq. I know that the Predator supply line is being used up by American orders, but more pressure could be brought to bear in that regard.

On Iraq, Afghanistan and counter-indirect fire measures, I had the privilege of going to Iraq some months ago, and while I was there we were mortared in the camp. I was there for only a week, and being mortared for a week is nothing in comparison to experiencing mortar fire on the base every single day for a long period on a tour of duty. I pay tribute to all my constituents—and all serving personnel—who every single night in Afghanistan, or at a single base in Basra air station, have to endure mortar fire. I pay tribute, albeit belatedly, to the fact that the Secretary of State and his colleagues have taken urgent action

during the past few weeks and months to deal with the counter-IDF issue. More needs to be done on that, and I look forward to hearing some details.

In his opening speech, the Secretary of State mentioned terrorism. There is a great mystery in this House tonight, and it is this: I understand that DNA samples have been taken from parts of improvised explosive devices and bomb fragments that have allegedly been linked to known profiles on the British DNA database. If that is not true, will the Secretary of State please rule it out and clear it up once and for all? If it is true, it is in the national interest that we know the identity of the individuals who are known to the UK authorities, whether they have been apprehended, when they will come before the courts, and what the chances are of convicting them. There seems to be a cloud of secrecy. I understand operational security reasons, but sometimes operational security and national security are used as excuses not to give all of the facts. The Government need to make a judgment on that, but it is a legitimate point to raise. Have British citizens, who are known to be on the DNA database, been active in Iraq and Afghanistan? If so, what has happened to them?

There has been some discussion about NATO, and it is right to expect more from our NATO allies. However, it is also right to recognise those NATO allies that have made contributions. I am conscious that the Albanian Prime Minister has been in the House today. I pay tribute to Albania and Ukraine for their contribution, and especially to the brave servicemen and women of Denmark and Holland. They have made a genuine contribution, but we clearly need a larger one, from not only those nations but others. I therefore hope that President Sarkozy is serious about NATO, although I also hope that his proposal is not a Trojan horse for a new Franco-German pact in years to come. However, we would genuinely welcome France becoming part of NATO again and contributing. I also hope that it will avoid the national caveats that have perhaps bedevilled the contributions of Germany and one or two other nations.

I pay tribute to Commonwealth servicemen and women, whose contribution to Iraq and Afghanistan is most valuable. I thank Government Front Benchers for recently giving free blueys—free mail—to Caribbean and other Commonwealth personnel. That welcome change was made in the past few months. It is right that they, as well as our UK forces personnel, should have that.

Defence procurement has been mentioned in detail. I hope that lessons will be learned from the fact that it often means that some projects are delivered late and over budget. That obviously has a knock-on effect on the overall defence budget and the deployability of new kit in the field. I hope that Shropshire and the excellent engineers there will not be overlooked in the future rapid effect system programme.

The debate has been wide ranging. I understand that some changes have been made involving defence attachés, and I know that some squabbling has occurred between the Foreign and Commonwealth Office and the Ministry of Defence about who pays for defence attachés in future. Even in the past few weeks, changes have been made, leading to the withdrawal of defence attachés from several UK embassies and missions in Europe and probably elsewhere. There are to be regional defence attachés so that, for example, someone based in Rome would cover several countries. I should be interested to hear the logic behind that, given that I imagine that defence jobs and the industry are vital to all our constituencies. It is important to have our defence attachés on the spot to ensure that the United Kingdom is considered for any procurement from foreign countries.

In addition, Front Benchers know that defence attachés often help in reforming the armed forces in different parts of the world—that is often the prerequisite for NATO entry. If our defence attachés are not on the spot, you can bet your bottom dollar that the Americans will have theirs there, and that certainly applies to the Germans and the French. If a procurement project is to go somewhere in Europe, the people with defence attachés are more likely to be heard than the UK, which has been short-sighted and withdrawn its attachés.

In the last couple of minutes, I would like to consider Shropshire. I am sure that the Secretary of State did not think that I would rise to my feet without making one or two points about my constituency. I pay tribute to people in the Royal Air Force, the Army and the Royal Navy and Territorial reserve personnel who come from my constituency and the county of Shropshire and have contributed to the effort not only in Iraq and Afghanistan but the Falkland Islands, Cyprus—albeit a downsizing—Kosovo and other parts of the world, including Africa. It is important that we remember our personnel around the world, not just in Iraq and Afghanistan.

All the Ministers present will know that the west midlands has traditionally been an excellent recruiting ground for Her Majesty's armed forces, going back to the King's Shropshire light infantry. I hope that there will be some reciprocation of that commitment from the Government in relation to RAF Cosford. Over the past few weeks, the Under-Secretary has kindly responded to a written question, saying that no decision has been made on the future of RAF Cosford, yet the Minister for the Armed Forces suggested in a letter to me that a decision on Cosford had been made, but that the final approval would not be made until spring 2009. That leaves my constituents in limbo, so I hope that the Minister will give some clarity on the decision.

There are two options before us on RAF Cosford. There is no shame in Ministers saying, "We got it wrong", or, "We want to do a U-turn", because that happens often. I hope that Ministers will say, "We got it wrong in the defence training review. The infrastructure in Wales is not in place. There is squabbling, which we didn't really foresee, between the Ministry of Defence, the Welsh Assembly and other agencies. Therefore, we want to give the defence training contract to Cosford, and we will expand the RAF and tri-service personnel there." That would be the preferred option for my constituents.

The second option, of course, is to attract the logistics battalion and the signals battalion returning from Germany under the Borona operation. Some colleagues have spoken of their concerns about very large garrisons, but there is a distinction between super-garrisons and mega-garrisons. Should option

*[Mark Pritchard]*

No. 1 not be taken up, I would be content for Cosford to be made into an Army super-garrison. However, it is important that there should be clarity and that a decision should be made soon, in order that my constituents, schools, businesses, suppliers and the personnel working at the base can plan for their futures.

Time is short, so I shall conclude by saying that I welcome a softening of the Government's position on the Defence Logistics Organisation at Sapphire House. I hope that they are rethinking relocating 400 to 500 staff to Bristol, because many of those people are unable or unwilling to move. It is right that the Defence Logistics Organisation should remain at Sapphire House in Shropshire, because that makes sense, and fits in with the other Defence Logistics Organisation staff at MOD Donnington in my constituency and with the Defence Storage and Distribution Agency. The Government made an excellent and brave decision, following the Defence Committee's inquiry into Afghanistan, in saying that the Army Base Repair Organisation would not lose 880 jobs. Since then that decision has proved right, because ABRO is recruiting people for another 150 jobs, as a result of attrition on vehicles in Afghanistan and Iraq.

Shropshire has a proud heritage and history in serving Her Majesty's armed forces. I hope that the Government will pay back the county, by giving a secure future to Cosford, to the DLO and to ABRO and DSDA.

9.23 pm

**Dr. Andrew Murrison** (Westbury) (Con): It is always a pleasure to follow my hon. Friend the Member for The Wrekin (Mark Pritchard). I enjoyed his general strategic overview, as well as his specific points about the DNA and defence attachés. I hope that the Minister will have answers to those questions at his fingertips when he replies. I declare an interest as a medical officer in the Royal Naval Reserve, and I am in receipt of a naval pension. We have heard 14 Back-Bench speeches today, all of which had merit, even if in some cases one had to dig a little deep to find it.

Ministers can surely be in no doubt that the military covenant has been broken. I appreciate the caveat that the hon. Member for Midlothian (Mr. Hamilton) entered with regard to Scotland, but the Royal British Legion has felt it necessary to mount its "Honour the covenant" campaign this autumn, while a completely new organisation, the British Armed Forces Federation, was created this summer to lobby for a better deal for the service community. Unofficial forces websites have sprung up. I draw the Minister's attention particularly to the Army Rumour Service website—better known, if you will forgive me, Mr. Deputy Speaker, by its acronym ARRSE—which provides a free and frank window on the views of an increasingly dischuffed service population.

In 25 years of service in the armed forces, I can never remember anything quite like this. It is important to acknowledge, however, that there have been times in our history when our troops have not been given the respect to which they are surely entitled. Rudyard Kipling described the plight of Tommy Atkins. Although Kipling's Tommy emerged in the 1890s, he is chiefly associated with our engagement in total war in two obvious fights for national survival. His descendants are involved in conflicts that are much more discretionary, and that do not command the support of the British public in anything like the same way.

In my view, that means that the Government owe more than ever to today's men and women who are putting their lives on the line in pursuit of their foreign policy. That is all the more reason for disappointment at the attitude adopted by Ministers, captured perfectly by Mrs. Diane Dernie, mother of Lance Bombardier Ben Parkinson, who said of injured servicemen:

"They are simply figures on a balance sheet. They do not have any role, any function and the MOD wants to dispose of them as cheaply as possible."

Meanwhile, Ben, even after Ministers have been shamed by public outcry into doubling his payment, faces a bleak future. No doubt the Minister will crow about guaranteed income payments, but on close examination those appear frugal, and for junior soldiers unrepresentative of potential future earnings. I am sorry if I detected a scoff from the Under-Secretary of State for Defence—he criticised me earlier in a rather crude intervention, if I may say so—but that is certainly the view of the service community. If he doubts that, I suggest that he look at the website to which I referred.

It is difficult to see Labour's armed forces compensation scheme as anything other than a second-rate deal, which is inferior in important respects to elements of the preceding war pension scheme, imperfect though that undoubtedly was, and which uniquely attempts to swim against the tide of society's prevailing compensation culture. The formulaic way in which compensation is pegged ignores the fact that a broken body is so much more than the sum of constituent injuries. It addresses quality of life forgone in the most bludgeonly way imaginable and is untenable.

The Royal British Legion is correct to point out, as we have, that the vast majority of personnel will simply not benefit from the changes announced on the hoof last week, and that the changes will not benefit those with a single devastating injury of the sort sustained by Lance Corporal Martin Edwards. As the Minister's announcement was, admittedly, by way of launching a consultation, I hope that he will listen to those with the best interests of servicemen at heart before finalising his plans; I say that in all sincerity. So far, those plans have been chaotic. We understood initially that an increase in retrospective payments was "highly unlikely". If that were so, people injured in Operation Telic I to IV would have found themselves at a financial disadvantage compared with people hurt post-April 2005. Clearly, that would be a nonsense, and we understand that the MOD has been obliged to change tack.

The United States is often held out as the exemplar in delivering the military covenant. I simply do not know why America lauds servicemen in a way that we do not. My hon. Friend the Member for Canterbury (Mr. Brazier) touched on some of the possible reasons. I am realistic enough to appreciate that the attitudinal differences between our two countries mean that our servicemen will not be patriotically ushered to the front of queues

or showered with cinema tickets. But the strand of care for those who have given extraordinary service, embodied in the GI Bill and the Veterans Administration, and extended this year in the inauguration of the President's Commission on Care for America's Returning Wounded Warriors, is indicative of our best friend's far more generous interpretation of the military covenant. I hope that the Minister will say what lessons he has learned from the US and how he intends to implement best practice here.

Our armed forces are a mirror of the society from which they are drawn, yet increasingly their deal looks second-rate. What are they to make of compensation for the most severe battlefield injuries, reluctantly increased by Ministers to £285,000, against nearly £500,000 for an RAF typist with repetitive strain injury of the thumb?

**Derek Twigg:** Will the hon. Gentleman give way?

**Dr. Murrison:** No, I will not. I do not have enough time.

How do Ministers think soldiers feel when they see civil servants receiving an extra £100,000 a year to serve in dangerous places, and all they can aspire to is a bit of extra pay in lieu of tax that they have paid?

**Des Browne:** Will the hon. Gentleman give way?

**Dr. Murrison:** I will give way to the Secretary of State.

**Des Browne:** I suspect that the hon. Gentleman has not been listening to the debate. The issue of the false comparison, which he has parroted again, has already been dealt with. It is clear from the way in which he is winding up the debate that he is reading a speech that he prepared long before the debate, rather than responding to the debate. It would have been helpful if he had paid attention to the issue when it was addressed earlier and the false comparison was explained.

**Dr. Murrison:** I am grateful to the Secretary of State for his intervention, but it does not move us much further forward. I seriously suggest that he listen to the British Armed Forces Federation and the Royal British Legion, and look at their websites. He should listen to them, not to me.

I have to say that I am not surprised that the Royal British Legion thinks ill of an Administration whose armed forces compensation scheme is designed to shift the burden of proof in the MOD's favour, to narrow eligibility criteria and to impose onerous time restrictions on claimants. That is precisely what the scheme has done. I know Ministers mean well—I do not doubt that—but these are hardly the actions of Ministers who are falling over themselves to fulfil their side of the military covenant. In one of the most thoughtful contributions of the day, my hon. Friend the Member for North Essex (Mr. Jenkin) called defence the Cinderella of public services, and I fear that he is correct.

A number of Members mentioned housing. When I was a practising doctor I had a fair amount to do with military public health, but I never thought that as a Member of Parliament I would visit barracks that were infested with cockroaches. One young man said to me, "I do not have to put up with cockroaches when I am at my mum's house, so I do not see why I should have to do so when I am living in barracks." What messages do conditions like that send to the men and women whom Ministers say they value so highly?

**Mr. Kevan Jones:** Where is the barracks?

**Dr. Murrison:** It is Battlesbury barracks in Warminster. The hon. Gentleman may wish to pay it a visit.

Half the MOD's bed spaces are classed as poor, and the National Audit Office reckons that it will take years to put the position right. These are hardly homes fit for heroes. Yet, as the NAO has revealed, £13.5 million in planned maintenance and repairs scheduled for 2006-07 had to be deferred because of budgetary complaints—a point that appears to have been lost on the right hon. Member for Islwyn (Mr. Touhig). Students in college halls of residence and their parents would be appalled at the conditions that barracks dwellers must routinely endure, but barracks, unlike halls of residence, are closed institutions. What the public do not see, Ministers apparently do not worry about.

Given the job of work that our troops do, I have to ask whether we have our priorities right. It is surely right for our military to be able to rely on married quarters of at least the standard that they might expect if their landlord were a housing association or a local authority.

**Derek Twigg:** Will the hon. Gentleman give way?

**Dr. Murrison:** No, I will not.

On resettlement, personnel seeking social housing must not be disadvantaged by their peripatetic careers, as they are currently. I believe that that point was made by the hon. Member for Midlothian.

The hon. Member for Falkirk (Mr. Joyce) described at first hand his experience of married quarters. My experience was slightly different: we at least had indoor sanitation.

My experience of health care at the point of wounding in theatre at roles 1 and 2 has been fairly positive. It is important for our troops to know that they will be well looked after, but we should not seek to cover up the concerns of highly experienced and respected professionals such as Lieutenant-Colonel Paul Parker of the Royal Army Medical Corps, a consultant orthopaedic surgeon who has presented us with a picture of military medicine in Afghanistan that is not rosy. His view is that medical evacuation, basic supplies in military hospitals and medical imaging in theatre are inadequate. I hope Ministers agree that the way in which they provide for our injured lies at the very heart of our military covenant.

Over the weekend, the Army's top brass were accused of failing to stand up for their people. Lieutenant-Colonel Parker has certainly stood up for those in his care, and as a doctor and as an officer he deserves great credit. His report cuts through the hierarchy that surrounds Ministers and demands their critical appraisal. I hope that Ministers have satisfied

*[Dr. Murrison]*

themselves that any shortcomings identified by him have now been remedied, and that in so doing they have not been content simply to accept any old flannel from the general staff.

In the last month alone 145 injured soldiers have been repatriated for treatment, yet we learn that because our UK military hospitals have now closed, soldiers are being nursed not with their comrades but alongside civilians. My hon. Friend the Member for Canterbury mentioned that point. The Minister must say whether that is because they have complex medical needs that demand tertiary and higher specialist medical care—which is fine—or because the new medical managed arrangements supported in all parts of the House are inadequate.

My chief concern, however, is not about care in theatre—or role 3 back home at Selly Oak or in the wider NHS. My chief concern is not about health care at all; instead, it is about care, by which I mean what happens when a person is done with Selly Oak and begins to face the future with a broken body or broken mind. The announcement by Ministers of more cash for combat stress was welcome, but the fact that it was such a sudden and substantial injection more than four years after the start of Operation Telic calls into question the foresight of an MOD that has meanwhile been happy to preside over the serious erosion of uniformed military psychiatry.

The right hon. Member for Walsall, South (Mr. George) talked in his discussion of finance about Labour being on the brink of fantasy—to borrow his words—in the 1980s. He also looked forward to aircraft carriers and FRES—the future rapid effect system—as did the hon. Member for Preston (Mr. Hendrick). I shall say more about that if I have time. My hon. Friend the Member for Congleton (Ann Winterton) discussed defence equipment in her inimitable, robust and highly thoughtful fashion. The hon. Member for Dundee, East (Stewart Hosie) also touched briefly on defence procurement. The right hon. Member for Edinburgh, East (Dr. Strang) talked about Afghanistan and its flourishing poppy crop, as did the hon. Member for Portsmouth, North (Sarah McCarthy-Fry)—if I may say so without embarrassing her, in what was a most thoughtful contribution.

Despite the debt it owes to our reserve forces, it appears that the Labour party continues to conflate the Territorial Army with the Home Guard. If anyone doubts that, they should take a look at the Home Secretary's unworthy line at the expense of the TA while playing to the gallery in Bournemouth last month. I have written to the right hon. Lady and invited her to come to the House and explain herself and apologise. I regret to have to say that, to date, she has been silent on that. Words mean what words say, and we as politicians should understand that full well. At a time when this Government's foreign policy is so heavily reliant on the TA, it behoves Ministers to choose their words carefully.

The Defence Analytical Services Agency tells us that our volunteer reserves stand at 36,000, down from 46,000 in April 2000, yet in Iraq and Afghanistan they have been employed as never before. Given their battle-proven capabilities, it seems to me that the only reason for cutting the TA is a failure to demonstrate cost-effectiveness. Therefore, during the summer I asked how much the TA costs. We learned on Tuesday how difficult it is to pin Ministers down on defence costs, but in this instance it appears that they simply do not have a clue. The Minister stated to me in a letter dated 1 September:

> "I can understand how you might feel surprised at our inability to provide information on the total cost of the Territorial Army."

He is utterly right that I am surprised, because he is saying that his axemen have been hacking away at the TA without having any idea about savings that might be achieved, or whether consequential costs would need to be borne elsewhere. How can we possibly secure maximum advantage for the cash available if we have no handle on relative costings?

Given that the Minister of State has no idea about the cost drivers within his own Department, it is hardly surprising that he cannot give timelines for procurement—as was painfully obviously apparent in his contribution last Tuesday. Without timelines, all the commitments made last week and in the July statement are no more than aspirations. That, along with the failure of defence spending—at 1.5 per cent.—to keep pace with defence-related inflation and no commensurate fall in operational tempo, means that, as the Royal United Service Institute pointed out last week, an overly optimistic comprehensive spending review is likely to be followed by defence strategic guidance for the next 10 years that will disappoint those of us eagerly anticipating carriers, FRES and attack aircraft. That is all the more reason for a proper strategic defence review. I am pleased to note that the hon. Member for North Devon (Nick Harvey) appears to agree with us on that—much as it pains me to have much in common with the Liberal Democrats. It seems to me that not only are the Government looking to my party to set the agenda, but the Liberal Democrats are at it as well.

9.39 pm

**The Minister for the Armed Forces (Mr. Bob Ainsworth):** This has been a wide-ranging debate. I have always been aware of the level of expertise in the House on these issues, and I want to thank everybody for their contributions. It will not be possible for me to respond to every issue that was raised, but I will try to deal with as many as I can.

My right hon. Friend the Member for Walsall, South (Mr. George) treated us to a little bit of the history lesson that we have to listen every now and then in order to put into context some of the allegations that are made today. He did that very well. My right hon. Friend the Member for Islwyn (Mr. Touhig) talked about the debt that we owe to our servicemen and their families, and he was particularly concerned about accommodation. He recognises—even if some Opposition Members do not—that a huge building programme is going on, and that some of the legacy issues of our single-living and family accommodation are now being dealt with. That cannot be done overnight; the neglect went on for generations. There are Members in this House who know that, yet they choose to try to deny it. However, I agree with my right hon. Friend that there are some big issues that we need to address, particularly in relation to family living accommodation and the right to buy. We

are as concerned about and interested in those matters as he was when he did his job at the Ministry of Defence.

I am sorry that I was not in the House for most of the speech of the hon. Member for Congleton (Ann Winterton), who talked mainly about procurement. I was a little surprised by her intimation that she is concerned that the Royal Navy is going to be dominated by the carriers. Yes, the carriers are going to be somewhat dominating features of the Royal Navy. If we want our Navy to have worldwide reach and the ability to project force around the world wherever we want it—be it air power or assault capability—the carriers and the protection force are the single most important way in which we will do that. That is why the carriers are so important.

The hon. Member for Canterbury (Mr. Brazier) talked about the covenant and said that we have a debt to our armed forces that needs to be met. I do not disagree with him, and he knows that nobody in the ministerial team does. This is not just an issue for the Government. We need to recognise that we are paying back our armed forces for the tremendous sacrifice that they make for, and the capability that they give to, our nation. The nation also needs to recognise that. This is not an easy issue to address, and there are no quick remedies. It is not just a matter of parades, for example; we have to work on this. As the hon. Member for North Devon (Nick Harvey) and others in the House have said, we all have a responsibility to address this issue, to take it out to the public at large, and to ensure that we all do our best—irrespective of where we sit in this House—to connect the work being done on behalf of the nation by the armed forces with the general public, whose understanding is perhaps not all that it once was. With effort, perhaps we can make that connection again. The hon. Member for Canterbury also talked passionately about the Territorial Army, about which I know he has great concerns. I intend to sit down with him and talk through some of those issues as soon as I can.

In a wide-ranging discussion, my hon. Friend the Member for Midlothian (Mr. Hamilton) talked about a lot of issues. He, too, was concerned about housing, and particularly about the priority given to our armed forces by local authorities throughout the country. He asked whether we were prepared to meet him and a delegation of Members of Parliament—and we of course are. I do not suppose that he is concerned about whether it is most appropriate for me or for another member of the ministerial team to meet that delegation. One or other of us will be more than happy to make ourselves available for a meeting.

My hon. Friend the Member for Preston (Mr. Hendrick) talked about our relationship with the USA. However, he was also concerned to ensure that we should develop our co-operative capability with our European neighbours, and stressed the importance of that for the future. I agree with him in that regard.

The fact that the hon. Member for Dundee, East (Stewart Hosie) has certain problems was exposed in some of the interventions made during his contribution. If he thinks that he can cherry-pick the defence estate and imprint in Scotland, he will have to do some explaining—beyond this debate in the House—to the many people up there who depend on that work for their livelihood.

The hon. Gentleman talked about cap badges and the history of the Scottish regiments. Of course we must honour our history, but we all know that we cannot live in it. Time moves on, and we must address the issues that face us today. There is a need for change, and although we must try to retain the golden thread that runs through our regimental history, we must also deal with the problems confronting our military in today's world.

The hon. Member for North Devon talked about the situation in Iraq, and asked me to explain the statement that I made in evidence to the Defence Committee in July. He compared that with the recent statement from my right hon. Friend the Prime Minister, but I do not think that any explanation is necessary. I am not a military expert, and do not pretend to be. I would not come to the House and say otherwise, but the statement that I made to the Defence Committee was based on military advice given to me at the time.

My right hon. Friend the Prime Minister does not pretend to have military expertise either, but the military advice that we are given, and the situation that we face, have both changed. We are now able to consider the possibility of reducing our force level in Iraq, and to plan for it. Our forces will be backed up by other forces in the region, but the level that we will maintain will be lower than that which our military advice was prepared to contemplate in July.

The hon. Member for North Devon also talked extensively about the situation in Afghanistan, as did my right hon. Friend the Member for Edinburgh, East (Dr. Strang), my hon. Friend the Member for Portsmouth, North (Sarah McCarthy-Fry) and other hon. Members. It is a matter that we must look at very seriously. Sometimes, the feeling is that our military personnel take a narrow view of the matters that they are dealing with, but my hon. Friend the Member for Portsmouth, North made it very clear that that was not true of the discussions that she had had out in theatre.

The House should be aware that no one is more able to take a broad view of what people in the military are able to contribute than those people themselves. They know what they can do, and they also know what must come in behind them to ensure the nation building that has to happen if we are to render Afghanistan viable in the future. That is one of the tasks that face us, and our military people understand that as well as we do. In no way do the Afghan people want the Taliban back, but we must make sure that the growing capacity of the Afghan state is seen to be a force for good, a positive force that improves the lives of the people. A lot remains to be done, and it can be done only if we adopt a comprehensive approach.

Equally, as various hon. Members noted, we must also ensure that our own people understand what we are doing in Afghanistan. The connection is not always made between what our armed forces are doing out there and the effect on the security of people and families here at home. All of us, regardless of which party we represent, have a responsibility to make sure that people appreciate that link. We must make people understand that what is happening in Afghanistan cannot be disconnected from security at home.

*[Mr. Bob Ainsworth]*

Big issues are involved in that, and they must be fully explained and understood. However, there is a convergence between heroin, organised crime and international terrorism; it is a thread that runs all the way from Afghanistan to the streets of Coventry, and the streets of every town and city in our country. The elements cannot be disconnected.

I have to tell the hon. Member for North Devon that it is not true that there are no dedicated helicopters for medical evacuation in Afghanistan. Dedicated helicopters are available in the field, as I saw when I visited Bastion, so if the hon. Gentleman has been given contrary information, it is untrue.

My hon. Friend the Member for Falkirk (Mr. Joyce) gave us much information, as well as a vivid personal insight into forces living accommodation over the generations. He gave the lie to the idea that the problems can be solved overnight. There has been ingrained, systematic under-investment over a period of time. We have made structural changes to ensure that will no longer happen, but the problems cannot be fixed overnight.

My hon. Friend the Member for North Durham (Mr. Jones) reacted as I did to the speech of the hon. Member for Woodspring (Dr. Fox). Of all the speeches I heard during the debate, the two from the Conservative Front Bench were the most extraordinary. The hon. Member for Woodspring showed that he was capable of applying himself to give us analysis and a constructive view when he talked about Iran. My right hon. Friend the Secretary of State was sitting on the Treasury Bench at the time, and neither he nor I could disagree with what the hon. Gentleman said. However, almost all the rest of the speech that he treated us to was a catalogue of misrepresentation and abuse of the facts.

That does not matter so much when what is said is about the Government. The hon. Gentleman deliberately and repeatedly tries to present the case that there are cuts in the defence budget. He tells people that in television and radio studios, and he told us the same thing today. He denies the fact that by the end of the current spending round, real-terms spending will be £3 billion, or 10 per cent., higher than in 1997. As some of my hon. Friends pointed out, our record is in marked contrast to that of the Government the hon. Gentleman supported, who introduced defence cuts year on year during the back end of their period in office.

What the hon. Gentleman says in that vein is part of the cut and thrust of politics. People do not always use facts when they are throwing politics around in this place; we misrepresent the facts and make accusations against people from time to time. However, the hon. Gentleman went on to attack civilian volunteers in theatre and, more importantly, said things about the medical facilities at Selly Oak. I think that he needs to reflect on what he said, and the allegations that he made today.

I visited Selly Oak on Monday. I talked to parents, patients, nurses, doctors and the military personnel who run that facility. I can tell the House that they are sick and tired of being used as a political football. They are angry about that. I am sorry that the hon. Member for Woodspring cannot be in the Chamber now, because I would be saying exactly the same thing to him if he was. Today he made allegations about a particular case. I will not go further. I say only this: the hon. Gentleman should read what the surgeon who dealt with the individual had to say, and he should look at the press release issued by the hospital tonight. Given that he has an expertise in this area—I am not going to attempt to second-guess medical capability—he should reflect on what he said and how he said it, and the allegations that he made.

**Dr. Murrison** *rose—*

**Mr. Ainsworth:** If the hon. Gentleman is prepared to defend the hon. Member for Woodspring, I shall give way—and I hope that he can do so.

**Dr. Murrison:** The Minister has accused the Conservatives of using the armed forces as a political football. That is a disgraceful allegation. What does he make of his own Prime Minister's recent efforts—grandstanding in Iraq?

**Mr. Ainsworth:** Let us stick to the issue that has been raised tonight. Unlike the hon. Gentleman, I have tried, in my inadequate way, to respond to the debate. I am talking about things that were said in this Chamber about the worrying state of the medical facilities supplied to our injured personnel in the Selly Oak hospital—that was the allegation that was made. That is not something that is thrown at Ministers; it is thrown at the caring staff, be they doctors, nurses or anyone else. If the hon. Gentleman wants to defend that, let him do so—but it is deplorable, and he and the hon. Member for Woodspring, both of whom have expertise in this area, ought to think about the allegations that they have made. It is up to them. I am not going to take this any further than that, because I do not have the expertise to do so. In those facilities, dedicated people spend day and night trying to provide care and attention for our injured armed forces personnel, and they resent the allegations made in the media, and those being stoked up by people in this House, too.

The hon. Member for Westbury (Dr. Murrison) threw around the same allegations about medical services and talked about the compensation issue in deliberately emotive terms. I do not know whether he was listening when the Secretary of State spoke, but he was present. We are not talking about a compensation package that is an actuarial calculation to cover the loss and injury to be suffered by an individual for the rest of their lives. That is the first point to make. As my right hon. Friend said, like for like—apples for apples—is not being compared.

The other point that the hon. Gentleman and everyone else needs to recognise is that until recently there was no compensation package at all. This is a supplement to the lifelong payment that exists, and existed before the introduction of the up-front payment. It recognises the huge problems that injured personnel have when they are trying to rebuild their lives. It is not a substitute for their ongoing pension entitlement, and it is despicable for the Conservatives to try to suggest that it is.

Tonight's debate has shown us that there is a degree of expertise in the House that keeps the MOD and its policies under scrutiny, with the help of the Select Committee and the other instruments that we have in Parliament to do that. Our policies and priorities are clear. In the first analysis, they are to support our people and our current operations. Thereafter, they are to look to the future to ensure that we are planning adequately and properly for all the various risks that our nation may face. Those are the priorities that we ought to have. We must do our best to see to it that we meet them.

**Mr. Bob Blizzard** (Waveney) (Lab): I beg to ask leave to withdraw the motion.

*Motion, by leave, withdrawn.*

## DELEGATED LEGISLATION

*Ordered,*

That the Measure passed by the General Synod of the Church of England, entitled Dioceses, Pastoral and Mission Measure (HC 998), laid before the House on 26th July be referred to a Delegated Legislation Committee.—*[Mr. Blizzard.]*

## Child Protection (Sex Offenders)

*Motion made, and Question proposed,* That this House do now adjourn.—*[Mr. Blizzard.]*

10 pm

**Mr. Jim Hood** (Lanark and Hamilton, East) (Lab): I welcome the opportunity of this Adjournment debate this evening. My right hon. Friend the Member for Airdrie and Shotts (John Reid), when he was Home Secretary, announced on 13 June new powers to protect children from known sex offenders. Following that announcement, I said in a press release in my constituency that there are few crimes more horrific than sexual offences against children. We need to ensure that the most vulnerable group in our society is safe, and I am glad that that is at the heart of Government policy.

The tragic murder of Sarah Payne by Roy Whiting in 2001 sparked a debate about monitoring paedophiles in the community. It was evident that the Sexual Offences Act 1997 did not go far enough, as Whiting was one of the first offenders added to that list and he murdered Sarah Payne. A similar concern regarding the shortcomings of laws on sexual offences against children was voiced in Scotland in response to the murder of eight-year-old Mark Cummings by convicted sex offender Stuart Leggate in 2004. Once again, it is believed that the loss of an innocent child's life could have been prevented had the proposed new laws been in operation.

The UK has some of the strongest restrictions on child sex offenders, but as my right hon. Friend acknowledged in his statement on 13 June, we need to do more. I hope that the Minister can tell me tonight that the new measures, which will strengthen child protection even further, are a progressive beginning of a more engaged and transparent public policy for the protection of children from known sex abusers.

For too long, politicians have shied away from kicking over the stone of the sexual abuse of children. That may be a controversial thing to say, but in truth our society has failed its children. Whether it be the legislators, the courts, the social services, the police or any other public institution, all of us could have done more and all of us now need to do more. That is why I welcome the then Home Secretary's acknowledgement of that reality in his statement on 13 June.

In response, I decided to consult my constituents on their opinions on the proposals for England and Wales and to ask them if they wanted the same protection for children in Scottish law. To achieve that, the Scottish Parliament would be responsible for any changes to Scottish law, and I shall return to that point in a moment.

I consulted my constituents through a survey with a freepost reply. For the purpose of my survey, I wrote to a random selection of addresses in every part of my constituency. There are six multi-member local council wards in Lanark and Hamilton, East constituency and I wrote to some 8,000 households in those six communities. The distribution list was Lanark, 1,183 households; Carluke, 1,090; Larkhall, 1,256; Ashgill, 108; Forth, 640; Law Village, 406; Hamilton, 1,159; Uddingston, 651; Bothwell, 540; Carstairs/Carnwath, 493; and Cross Ford/ Kirkfieldbank, 471. The total is

*[Mr. Jim Hood]*

7,997. That is eight times the number used in national opinion polls with an accuracy of plus or minus 3 per cent. I received a magnificent response to the survey. More than 1,300 people—more than 16 per cent. of people who were sent the survey—read the survey, answered every question, folded the answer sheet, went to the post office and posted their reply to me. I would argue that the results of the survey of my constituency are as accurate as it is possible to get.

I shall read on to the record the questions, and the responses to them. My first question was "Have you heard about the new legislation announced in the House of Commons to protect children from sex offenders?" Some 68.5 per cent. of respondents said yes. The second question was "Do you agree that parents or guardians should be able to request details of sex offenders in certain circumstances?" and 98 per cent. of respondents said yes. The third question was "Do you agree that satellite tracking should be used to monitor high risk sex offenders?" to which 99 per cent. of respondents said yes. Question No. 4 was "Do you think that the mandatory drug treatment should be used to reduce sexual drive in child sex offenders?" and 96 per cent. of respondents said yes.

The fifth question was "Do you agree that the use of compulsory polygraph tests to ensure that child offenders are not reoffending is correct?" Some 95 per cent. of respondents said yes. Question No. 6 was "Do you agree that the child sex offender's conviction should be disclosed in order to protect the child?" to which 97 per cent. of respondents said yes. The seventh question was "Do you agree that the sex offenders register should be extended to include information on when they start relationships with a woman who has children?" Some 98 per cent. of respondents said yes. My last question was "Do you agree that Jim Hood MP should write to the Justice Minister asking that the legislation be introduced into Scottish law?" and 97 per cent. said yes.

In answer to my eighth question, 97 per cent. wanted the same protection for their children that children in England and Wales have, and asked me write to the Scottish Cabinet Secretary for Justice to request him to provide just that. I wrote to him, providing him with the results of my survey, and I invited him to respond to the wishes of my constituents. I proposed that he and the Scottish Parliament legislate to give Scottish children the protection that is being proposed for children in England and Wales. I received a reply from the Scottish Minister, and I will refer to it in a moment, but first I want to state the very obvious: this is not a party political issue. There is no place for political gimmickry, gamesmanship, or one-upmanship in a debate on how we protect children from sex offenders. When 97 or 98 per cent. of our constituents demand more protection for their children and tell their politician to get on with it, no politician can ignore those demands.

**Mr. David Hamilton** (Midlothian) (Lab): I appreciate that 97 per cent. is a phenomenal figure, but I have concerns about legislation that weighs heavily on people who volunteer to help in youth clubs and so on. Is there a way to ensure that an unnecessary amount of legislation is not put on people who wish to do good in the community by supporting young people?

**Mr. Hood:** I hear what my hon. Friend says, but to be perfectly frank, in my experience the story is that the legislation is not giving enough power to communities so that they can watch out for and be protected from child sex abusers. My hon. Friend will be able to ask his question during consultation on any legislation. However, I know from my constituents' responses what they are telling me—that they need more powers to protect their children.

I turn to the Scottish Justice Minister's letter in response to my survey. First, I thank him for his detailed and informative response about the current policies in Scotland. I was pleased to note that the Scottish Executive were

"giving close consideration to the results of the Home Office review."

However, the reply left me with a few questions that I intend to pursue with him—for example, the compulsory drug treatment of sex offenders; the right of parents and guardians to request details of sex offenders in certain circumstances; extending the sex offenders list to include when they start relationships with women who have children; and particularly, the consequences to the children in my constituency if Scotland does not have the same protection as in England and Wales.

I fear that if we do not have the same controls for sex offenders in Scotland as in the rest of the UK, Scotland could become a refuge and hiding place for sex offenders fleeing tougher controls in England and Wales.

**Dan Norris** (Wansdyke) (Lab): Does my hon. Friend agree that although the public overwhelmingly support the Government proposals, there is a resistance among some police officers—in fact, among some chief constables? For example, Colin Port, the excellent chief constable for Avon and Somerset, told me today that he will not apply for the pilot scheme project, despite the fact that the right hon. Member for Airdrie and Shotts (John Reid) told me when he was Home Secretary that there would be a pilot in my area. Does my hon. Friend accept that among police forces there is a resistance that does not reflect the true public mood and desire to deal with sex offenders in a thorough and robust way?

**Mr. Hood:** There may be resistance from institutions that need to accept when we have all collectively failed to protect children better. The police force is one of those institutions from which there will be mixed responses. A *Scotland on Sunday* article quoted a senior police officer as saying:

"I think our primary function is to protect children, and anything we can do to achieve that should be tried. The last thing we want is to make Scotland a soft option for paedophiles."

My hon. Friend may be concerned about responses from the police force in his constituency, but I am sure that there are also police officers who share the views of that senior police officer in Scotland.

I was expressing my concern that Scotland could become a haven, respite, resting place or hiding place for sex abusers. Ironically, last year Jack McConnell, the former First Minister, indicated his support for

such measures for Scotland, and in an article in *The Times* of 6 November, the headline read, "Scottish law could drive paedophiles into England". The First Minister had gone on the record in supporting similar measures proposed by the Home Secretary on 30 June, six months before he made that statement. The irony of the situation post-30 June is that that headline in *The Times* could be reversed if Scotland's children are not given the same protection as in England and Wales. It could read, "Westminster laws could drive paedophiles into Scotland".

I am sure that the Scottish Justice Minister does not want or intend that to happen. I am equally sure that the Scottish Parliament will want to give maximum protection to Scottish children, as in the rest of the UK. I was comforted today, when my office spoke to the Scottish Executive, to be advised of their awareness of the need to have the same controls on both sides of the border. I hope that the Minister can assure me that she is determined to ensure that the Home Office and the Scottish Executive are singing from the same hymn sheet and that when we legislate we have the same protection for children throughout the UK.

10.15 pm

**The Parliamentary Under-Secretary of State for Justice (Maria Eagle):** I congratulate my hon. Friend the Member for Lanark and Hamilton, East (Mr. Hood) on securing this debate. He has raised a tremendously important issue; the fact that some Members have remained in the Chamber to listen to him is indicative of the importance that Members in this House attach to it. He is absolutely correct to highlight it as a matter of the greatest concern, not merely on a party political basis but as something that should promote cross-party agreement in many respects.

I commend my hon. Friend for the work that he has done in his constituency in following up work carried out in the Home Office last year at the order of the previous Home Secretary on reviewing the protection of children from sex offenders. It is clear from the figures that he gave that the work that he has undertaken among his constituents has struck a chord, and not only because of the high response rate that he was able to tell the House that he had received following the questionnaire that he circulated. I have rarely heard of a figure as high as 68.5 per cent. when constituents are asked whether they have heard about something that the House has been doing or that the Government have been doing. I must ask him—perhaps he will tell me outside the Chamber—what measures he took to try to inform his constituents beforehand, because perhaps the Government can take a leaf out of his book. It is a tremendously high figure and one that is of course very heartening for the Government to hear. Public information and awareness of such issues is often one of the most important starting points in ensuring that, as he said, we manage to improve and increase the quality and effort that we all put into protecting children from sex offenders.

As my hon. Friend acknowledged, over the previous few years there has been much more of a recognition than ever before that dangerous sex offenders need supervision beyond merely serving the sentences that follow their criminal wrongdoing and the fact that they have been found out and convicted of sex offences. We have done much, as a Government, aimed at focusing supervision to reduce the serious potential harm that can be caused by such individuals later on in their lives having been convicted and then going on to commit further offences. Over the past years in England and Wales we have introduced a range of measures designed to protect children and the vulnerable.

My hon. Friend is right to say that those have been introduced on an England and Wales basis because of devolution. There has been some movement forwards in Scotland, sometimes at slightly later dates, in respect of some of these advances, but they have not all been implemented at the same time and to quite the same degree. It might be helpful if I highlight some of the current differences. It is certainly the case, as he noted, that there is always the danger that differences in law between Scotland and England and Wales may lead to effects such as he mentioned, perhaps encouraging child sex offenders to be on one side of the border rather than the other.

As my hon. Friend is well aware, all sexual offenders in the UK are required to register under the same procedures, and each jurisdiction has the ability to apply to a court for an order that will further restrict a sexual offender's behaviour if the police can demonstrate that they present a significant risk of harm. Such orders are known as sexual offender prevention orders in England and Wales and as risk of sexual harm orders in Scotland, so there is an equivalent arrangement.

The multi-agency public protection arrangements—MAPPA—established in England and Wales in 2001 as a result of the Criminal Justice and Courts Services Act 2000 were further strengthened by the Criminal Justice Act 2003. As my hon. Friend will also be aware, the police, the probation service and the Prison Service make up the responsible authority, which ensures that the management of sex offenders and seriously violent offenders is adequate in the respective areas. MAPPA is used to manage registered sexual offenders and violent offenders serving more than 12 months.

In Scotland, however, MAPPA has been introduced much more recently—only in April 2007—and currently manages only registered sex offenders. The responsible authorities in Scotland are the police, prison, criminal justice and social work services and the health service. My understanding is that Scotland plans to include violent and dangerous offenders in about 18 months' time, but it is a number of years behind England and Wales in developing these arrangements.

There is a further difference in respect of accommodation. In England and Wales, 105 approved premises can accommodate high risk of harm level 2 and level 3 MAPPA offenders—those at the highest level of potential harm are at level 3. That includes those who have offended against children. There is no such arrangement in Scotland; rather than have approved premises, there is a national strategy on the accommodation of sex offenders. That is another slight difference.

As my hon. Friend will know, ViSOR is a computer system used by all police forces in England, Wales, Scotland and Northern Ireland, as well as by the military police. It contains information on all registered sexual offenders and allows police forces to share that

*[Maria Eagle]*

information. That is extremely important and helps to deal with some of my hon. Friend's points about the potential for cross-border movement among some of these people. If they feel that an eye is more likely to be kept on them in England than in Scotland, that might present some temptation to move north of the border. The fact that ViSOR is present and used by police across the whole of the UK shows that we are in a strong position to ensure that we know where these people are. That should provide my hon. Friend with some reassurance.

Vetting and barring legislation was mentioned earlier and I would like to make it clear that the Safeguarding Vulnerable Groups Act 2006, which establishes and seeks to implement the vetting and barring scheme and will help us to keep a much closer and up-to-date eye on those who have the capacity to cause harm to children and vulnerable adults, will be implemented in Scotland as well as in England and Wales. An equivalent arrangement will be introduced to a similar time scale to protect children by ensuring that all those who come into contact with them or vulnerable adults—either voluntarily or because they are paid to do a certain job—do not have a history of sexual, violent or abusive behaviours. It will help to ensure that any bans can be implemented.

There is also some equivalence in respect of sentencing. The recently introduced indeterminate public protection sentence in the Criminal Justice Act 2003 has a parallel arrangement in Scotland, where it is called the order for lifelong restriction. The aim is the same. There are some real equivalences in the cross-border effort put into trying to improve arrangements to protect children particularly from sex offenders. I hope that my hon. Friend will find some reassurance there. However, it was quite clear from the results of the survey that he set out that his constituents feel that more needs to be done.

Despite the fact that the efforts of the past few years have meant that Britain is one of the leading countries in the management of sex offenders, we recognise that more can be done. That was certainly the aim of the review that the then Home Secretary commissioned last year in respect of the management of child sex offenders. It reported its findings on 13 June this year and set out 20 recommendations to further strengthen efforts to keep children safe. Work is now taking place to implement those recommendations. As a direct result of the review, that work is going ahead in respect of England and Wales, and the Scottish Parliament will consider parallel work.

I was glad to hear my hon. Friend say that he has been in touch—I am sure, very robustly and in detail—with the Justice Minister. To start with, when I saw my hon. Friend's survey, I thought that he might mean me, and I was trying to remember whether I had had any such letter from him. So I was relatively relieved, even though I could not remember receiving such a letter, when I realised that he was talking about the Justice Minister in the Scottish Parliament. If anyone heard a sigh of relief, that was me realising that I was off the hook. Of course, devolution has many benefits; it enables jurisdictions to make their own rules and do their own thing in many ways. It also enables Ministers in the House to sit and listen to what is effectively an argument that is really going on elsewhere.

**Mr. Hood:** In my final comments, I sought the Minister's assurance that she would try to ensure that there is joined-up thinking between the Scottish Executive and our own Westminster Departments. I am alarmed to hear that there are differences and that there might not be an agreement before we start legislating to have the same powers of scrutiny on both sides of the border. Can she assure me now that either she or the Secretary of State for Justice will have urgent talks with the Scottish Executive to ensure that we have the same protection for our children both sides of the border?

**Maria Eagle:** I am happy to say that, for obvious reasons, it is important that we try to keep this policy developing in a way that is consistent across borders within the UK, and my predecessors who did this job at the Home Office before the creation of the Ministry of Justice and I have done just that. As the Scottish Justice Minister said in the letter that my hon. Friend quoted, significant discussions have taken place between officials from the Scottish Parliament, the Scotland Office and the Home Office.

We certainly all aim to move forward and ensure equivalent protection. My hon. Friend makes the point that that is essential for such protection to work properly. Certainly, to the extent that we can, we have those discussions, but we have devolution and these matters are devolved to the Scottish Parliament; they are matters for it at the end of the day. I suspect that the representations that my hon. Friend makes and has set out so fully in his remarks this evening mean that those involved will be jumping even more to ensure that there are no inconsistencies between the protections north of the border and those that are in place in England and Wales and determined by my Department and the Home Office.

I shall end as I began by congratulating my hon. Friend on the detailed and serious work that he has clearly undertaken in his constituency. Often, Members are not given the praise that they deserve for some of the detailed work that they undertake on policy and on improving its implementation on such important issues in their constituencies. That is clearly not something of which my hon. Friend can be accused, and I finish by congratulating him again on the detailed work that he has done.

*Question put and agreed to.*

*Adjourned accordingly at twenty-nine minutes past Ten o'clock.*

# House of Commons

*Wednesday 17 October 2007*

*The House met at half-past Eleven o'clock*

## PRAYERS

[MR. SPEAKER *in the Chair*]

## PRIVATE BUSINESS

TRANSPORT FOR LONDON BILL *[LORDS]*

*Ordered,*

That the promoters of Transport For London Bill [*Lords*], which was originally introduced in the House of Lords in the previous Session, 23rd January 2006, should have leave to suspend any further proceedings on the Bill in order to proceed with it, if they think fit, in the next Session of Parliament, according to the provisions of the Private Business Standing Order 188A (*Suspension of Bills*).—*[First Deputy Chairman of Ways and Means.]*

# Oral Answers to Questions

## INTERNATIONAL DEVELOPMENT

### Migration

1. **Chris Bryant** (Rhondda) (Lab): What assessment his Department has made of the effects of migration on international development projects in Africa. [158517]

**The Parliamentary Under-Secretary of State for International Development (Mr. Shahid Malik):** As chance would have it, I have with me an excellent DFID publication, which I can commend to my hon. Friend. It is called, "Moving out of Poverty: Making Migration Work Better for Poor People", and it is the first policy paper of its kind to be produced by the Department for International Development. The report highlights both the positive and negative links between migration and poverty reduction and it encourages developing countries to consider its impact in their national planning. To provide just one example, it examines the positive contribution of migrants through remittances and support for development projects, while also examining the negative impact—the loss of skilled people and the damaging effect it can have on capacity building efforts in sectors such as health and education.

**Chris Bryant:** I am grateful to my hon. Friend for that fascinating answer—*[Interruption.]*—and I mean that most sincerely. However, the massive levels of migration in sub-Saharan Africa are among the biggest causes of poverty. In 2005, there were 15 million people in sub-Saharan Africa living away from their normal place of residence—in other words, 15 million displaced people, which is more than the combined populations of Berlin, Paris, Madrid and Rome. Surely we need to do far more to make it possible for people to stay where they were born and brought up so that we do not have a constant cycle of poverty and oppression.

**Mr. Malik:** My hon. Friend says that he is being sincere—and for the record, I have always known him to be so. *[Interruption.]* I will continue. As to the 15 million displaced people in sub-Saharan Africa, there are many causes: economic migration, bad governance, conflict, climate change, natural disasters, all of which cause people to believe that they have no option other than to leave and search for a better life elsewhere. Everything that DFID does in sub-Saharan Africa is aimed at addressing the root causes of displacement through poverty reduction, humanitarian relief, reconstruction work, efforts to promote participation and good governance and protection of human rights.

Let me provide a few examples. In 2006-07 alone, we provided some £220 million in humanitarian assistance to sub-Saharan Africa and we have allocated £64.5 million this year to the Africa conflict prevention pool. We are the largest donor to the UN's central emergency response fund, contributing £42.2 million this year. We have also provided—*[Interruption.]*

**Mr. Speaker:** Order. I say gently to the Minister that he can send the list to the hon. Member by letter.

**Richard Ottaway** (Croydon, South) (Con): May I draw the Minister's attention to another excellent publication, produced by the all-party group on population, development and reproductive health? It found that there was a correlation between migration and civil conflict and population growth. Will the Minister add that to his list of causes and, in providing aid to the sub-Saharan region, will he take into account programmes to address the issue of population growth?

**Mr. Malik:** To confirm, we certainly look at reproductive health in our programmes and we will continue to do so.

**Chris McCafferty** (Calder Valley) (Lab): Given the centrality of sexual and reproductive health to country-wide health plans, will my hon. Friend tell us how he is encouraging African Governments to prioritise that issue?

**Mr. Malik:** We have regular dialogues with African Governments on these issues and all our African programmes focus on them. That will certainly continue to be the case. My hon. Friend is quite right to raise the issue; we can never do enough in respect of it.

**Mr. Geoffrey Clifton-Brown** (Cotswold) (Con): It is estimated that 250,000 people have left Zimbabwe for South Africa and 200,000 Darfur for Chad. As the hon. Member for Rhondda (Chris Bryant) says, unofficial figures put the estimate many times higher. This is a human tragedy on a grand scale: it is a human tragedy for the people involved; it is a human tragedy for the countries that have seen those people leave; and it is a human tragedy for the countries to which they are going. What more can the Government do to provide humanitarian assistance not only for the refugees but for the recipient countries, so that those refugees will face a little easier life when they arrive?

**Mr. Malik:** My hon. Friend—*[Laughter.]* I mean the hon. Gentleman, although I am sure that we are friendly. I can tell the hon. Gentleman that we recently

gave £8 million to the World Food Programme. I outlined some of the measures that we are taking to deal with the issue in my earlier answer, but it is not possible for one country alone to deal with it. The international community must act together to produce the impact that is so desperately needed—the impact that both the hon. Gentleman and we would like to see.

**Budget Support**

2. **Tony Baldry** (Banbury) (Con): Which countries are receiving budget support from the UK; and if he will make a statement. [158518]

**The Secretary of State for International Development (Mr. Douglas Alexander):** The Department delivers poverty-reduction budget support to Ethiopia, Ghana, Malawi, Mozambique, Rwanda, Sierra Leone, Tanzania, Uganda, Zambia, India, Nepal, Pakistan, Vietnam and Nicaragua. Poverty-reduction budget support is aid given to a partner Government to support poverty-reduction programmes, and is spent with the use of the Government's financial management procurement and accountability systems.

**Tony Baldry:** It is good news that the Department is being given more money, but it is important to ensure that that money is spent in the best possible way. Is the Secretary of State aware of the World Bank's assertion that the outcomes of some 90 per cent. of budget support are never audited, which means that we do not know the extent of its effectiveness? Is it not time for an independent and impartial body to monitor and assess the outcomes, as has been suggested by my hon. Friends on the Opposition Front Bench?

**Mr. Alexander:** I am grateful to the hon. Gentleman, who brings real expertise to this issue, not least because of his service on the International Development Committee.

The Independent Advisory Committee on Development Impact is due to hold its first meeting in just over six weeks' time, and I believe that that will give the hon. Gentleman some confidence that we take the issue seriously. It is also important to recognise the steps that we are taking on budget support in particular. The Department always conducts a fiduciary risk assessment before entering into budget support, we monitor performance regularly, additional assurance is provided by the internal audit department, and we undertake annual reporting which provides oversight through its corporate reporting and auditing mechanisms.

**Mr. Eddie McGrady** (South Down) (SDLP): What funding, if any—direct or indirect, through international monetary funds—is given to the Sudanese Government? If there is such funding, direct or indirect, would my right hon. Friend consider withholding it until such time as the Sudanese Government act in accord with international law, in the context of civil conflict and more importantly and urgently in the context of attempts to bring a cessation to the abomination of human rights abuse in that country?

**Mr. Alexander:** I find myself in sympathy with my hon. Friend, both because of the longer-term challenge of making progress with the comprehensive peace agreement in relation to the north-south conflict in Sudan and because of the pressing challenge of the humanitarian crisis in the Darfur region. We do give considerable humanitarian assistance to the people of Sudan. I recently visited the al-Salam camp in el-Fasher in northern Darfur and saw, for example, the hugely important work undertaken by Oxfam, a British charity, in providing water and sanitation in the camps.

As well as the humanitarian work that we are doing, there is an important diplomatic dialogue with the Government of Sudan, so that—along with signatories and non-signatories to the Darfur peace agreement—they are clear about their responsibilities. Those responsibilities include an immediate ceasefire, a cessation of aerial bombing and the facilitation of talks between all parties in important talks at the end of this month.

**Malcolm Bruce** (Gordon) (LD): Will the Secretary of State acknowledge that budget support is an extremely important instrument for building the capacity of recipient countries, provided that strict criteria apply? Is he satisfied with recent developments in Uganda and Ethiopia which led to a cut in budget support, and does he feel that their Governments' attitude to the opposition justifies the reinstatement at this stage?

**Mr. Alexander:** I defer to the right hon. Gentleman's expertise, given his examination of the issues in the Select Committee, but the fact that in certain circumstances—for example, the political crisis in Ethiopia—we are prepared to withhold elements of budget support testifies to the fact that we monitor extremely carefully the circumstances in which it is appropriate for funds to flow directly through Government systems.

That being said, I find myself in full agreement with the right hon. Gentleman's observation about budget support. It is certainly pioneering. At times it involves risks which must be judged very carefully, but it can clearly develop a sustainable means by which countries can help themselves to emerge from poverty rather than finding themselves dealing with innumerable international donors with whom, in many cases, their Governments lack the capacity to engage effectively.

**Mr. Tom Clarke** (Coatbridge, Chryston and Bellshill) (Lab): In circumstances where general budget support has been cut, as in Ethiopia, will my right hon. Friend consider very carefully other means of delivering assistance, so that we can help the poorest people in the poorest countries?

**Mr. Alexander:** I can give my right hon. Friend exactly the assurance that he seeks. Budget support for Ethiopia was withheld in response to the political crisis in 2005, but we do not want the poor to suffer in Ethiopia as a consequence of the actions of Government. That is why, through the protection of basic services programme, we have continued to support development efforts in Ethiopia. In the last year alone, 1.2 million more children attended primary school. Over 70 per cent. of Ethiopia's children are now in school, and all households in malaria areas will have insecticide-treated bed nets by the end of this year. Those are just two examples of our continuing commitment to the people of Ethiopia.

## Health Services

3. **Mrs. Madeleine Moon** (Bridgend) (Lab): What steps his Department is taking to improve health services in Africa. [158519]

**The Parliamentary Under-Secretary of State for International Development (Mr. Shahid Malik):** The UK is improving health in Africa through multilateral aid, including the Global Fund to Fight AIDS, Tuberculosis and Malaria, and through bilateral programmes. Fifteen per cent. of DFID's aid goes to health, totalling some £800 million this year, which will rise as the DFID programme expands towards our target spending of 0.7 per cent. of gross national income by 2013. Last month, the UK launched an international health partnership to improve the effectiveness of international funding for health. Five of the IHP's first-wave countries are in Africa. They are Ethiopia, Zambia, Mozambique, Kenya and Burundi.

**Mrs. Moon:** I thank my hon. Friend for that response. I am aware that in Mozambique, for example, those who suffer from HIV/AIDS sometimes face the problem that, even if they have access to antiretroviral drugs, supplies run out and the treatment cannot be sustained. Equally, some people are faced with a stark choice of either paying for their drugs or buying food. What can DFID do to ensure that those who access treatment are sustained on it?

**Mr. Malik:** I thank my hon. Friend for that question. The UK is absolutely committed to the challenge of HIV/AIDS. That was one of the key elements of the agreement at Gleneagles. DFID has committed some £17 million in support to the Ministry of Health in Mozambique. That will help to improve, among other things, HIV/AIDS treatment, including the scaling up of access to antiretrovirals. Therefore, some progress is being made. In sub-Saharan Africa, the numbers on treatment rose tenfold from 2003 to 2006, from 100,000 to over 1.3 million. However, with only one in four in Africa able to access HIV/AIDS treatment, much more needs to be done.

**James Duddridge** (Rochford and Southend, East) (Con): Given that we are off track to meet the millennium development goal on maternal health—on the current trajectory, not only will we not meet it by 2015 but we will probably not do so in the next 100 years—what more can the Government do?

**Mr. Malik:** That challenge is recognised throughout Government. Recently our Prime Minister met the Norwegian Prime Minister to look at an initiative to deal with that problem. Africa is the continent with the highest maternal mortality rate—there are 830 deaths per 100,000 live births. All our programmes focus on those issues. I go back to the point that I made earlier: ultimately, the UK is one player. It is by different donor countries coming together that we will have the kind of impact that I know we would all like to see.

**Chris Ruane** (Vale of Clwyd) (Lab): When I visited Swaziland three years ago, we were told by the Health Minister there that Swaziland had the highest incidence of AIDS in the whole world at 43 per cent., yet thousands of doctors and nurses from Swaziland were leaving to practise abroad. What help and encouragement can the Department give to doctors and nurses from Africa who are working in the west to return to Africa to help in the fight against AIDS?

**Mr. Malik:** Brain drain is a high-profile concern for Africa, and a major migration and development concern for the African Union. We in this country have a code of practice under which we will not attempt to recruit health workers from countries whose Governments suggest that that might be detrimental. We are currently looking into this matter via the Global Health Workforce Alliance, which is chaired by Lord Nigel Crisp. The Secretary of State has already met him and discussions are taking place. This issue is of the utmost importance to the Government.

**John Barrett** (Edinburgh, West) (LD): According to Save the Children, the lives of 800 children a day could be saved if their parents did not have to pay for essential health care. Will the Department work with non-governmental organisations and civil society to ensure that the health partnership translates into real action on the ground?

**Mr. Malik:** We are absolutely in favour of sustainable partnerships of that kind, which is why the Prime Minister launched the international health partnership only in September. Its aim is to make improvements in the area that the hon. Gentleman raises, and to work on the concerns that he and others have articulated.

**Natascha Engel** (North-East Derbyshire) (Lab): All the evidence suggests that educating women in sexual health not only leads to later pregnancy but has a direct and positive impact on the economic performance of their country. What is the Department doing to promote sexual health awareness in Africa?

**Mr. Malik:** DFID is carrying out research into sex education. We are funding a community randomised control trial in Tanzania to inform us about the health impact of different adolescent sexual health interventions—we are investing £1.4 million in that. I recently visited Yemen where the population growth rate is such that it will double in 16 years; we are concentrating there on education for young girls, which will have an impact. Education, including sexual education, is vital in dealing with such matters.

**Mr. Andrew Mitchell** (Sutton Coldfield) (Con): Further to the question of the hon. Member for Vale of Clwyd (Chris Ruane), the Minister will know that many British health professionals want to make a personal contribution in poor countries but are too often discouraged from doing so because time spent abroad is not accredited and therefore adversely affects pension accrual, for example. Will the Minister look closely at the policy that my party has proposed to set up a health systems partnership fund? That would make a modest but useful contribution to helping in this area.

**Mr. Malik:** The hon. Gentleman may be aware that we were already looking at that issue prior to his party's announcement. I am happy to inform him that Lord Nigel Crisp, chair of the Global Health Workforce Alliance, is looking into the issue, and that the Secretary of State has already met him.

**Mr. Mitchell:** The Minister will know that our proposals would enable British health professionals to spend time in developing countries helping to build sustainable health systems. The proposals have been supported by VSO and many other NGOs, including the Tropical Health and Education Trust. As the Minister's party is clearly in the mood for nicking Conservative policies, will he make it a priority to implement as soon as possible our health systems partnership fund?

**Mr. Malik:** I think that I have already alluded to the fact that, regardless of whether they are ours or are borrowed from elsewhere, we will pass forward all good ideas to Lord Nigel Crisp, who will be looking into these matters. On nicking ideas, the hon. Gentleman will next be telling us that the target of 0.7 per cent. of GNI by 2013 was his party's idea.

### Comprehensive Spending Review

4. **Andrew Gwynne** (Denton and Reddish) (Lab): What impact he expects the comprehensive spending review to have on his Department's future spending plans. [158520]

**The Secretary of State for International Development (Mr. Douglas Alexander):** With the increases in aid announced last week, Britain will deliver on the promises that we made at the Gleneagles summit in 2005 and make faster progress toward the millennium development goals. We will double aid to Africa, invest more in education and health, and increase our support for growth and good governance. We will strengthen cross-government work on climate change and conflict.

**Andrew Gwynne:** I am grateful to my right hon. Friend for that answer. Can he confirm that the settlement in the comprehensive spending review means that the United Kingdom is now on track to meet the commitment to spend 0.7 per cent. of gross national income by 2013 on aid, and that at least half of all new aid will go to Africa, as promised at Gleneagles?

**Mr. Alexander:** I can give the confirmation that my hon. Friend seeks—we are now on track to meet that 0.7 per cent. GNI commitment. We are the first Government in British history who have given a time scale by which we will meet the UN target, and we took a decisive and significant step toward that goal with the comprehensive spending review announced last week.

**John Bercow** (Buckingham) (Con): Given the right hon. Gentleman's success in the spending round, will he confirm that the settlement that he secured will allow for the quadrupling of British aid to Burma, including provision for increased cross-border assistance, backing for the Shan Women's Action Network and other women's groups, and funds to assist the worthwhile and valuable efforts of exiled pro-democracy groups—all of which have been recommended by the International Development Committee?

**Mr. Alexander:** Let me begin by paying tribute to the work of the International Development Committee on this issue and, of course, to the high-profile role that the hon. Gentleman has taken on it. I gave very serious consideration to the recommendations of the IDC report in the summer, and I made sure that there was a carefully drafted response that reflected my determination that there should be a significant increase in the work that we are doing in this area. In addition to the terms of the report and the Government response, we have committed £1 million more toward the immediate humanitarian challenges facing Burma, in the light of the terrible events that we have witnessed in recent weeks.

### Sustainable Forestry

5. **Paddy Tipping** (Sherwood) (Lab): What steps he is taking to help develop sustainable forestry in Africa. [158521]

**The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas):** We are committing over £70 million for sustainable forestry in Africa, including £50 million for the Congo basin forest, to help improve governance, reduce deforestation and safeguard the livelihoods of poor people.

**Paddy Tipping:** Does the Minister accept that although biofuels can help to combat climate change, unless they are introduced in a planned and sustainable way, natural habitat and forestry will be destroyed? What analysis has he made of the problem, and what steps will he take to resolve them?

**Mr. Thomas:** I share my hon. Friend's view that biofuels have an important contribution to make in tackling the impacts of climate change. He is right to say that the increase in interest in biofuels needs to be managed in a sustainable way. We are working with a range of partners, including the World Bank and the African Development Bank, to look at exactly this issue.

**Derek Wyatt** (Sittingbourne and Sheppey) (Lab): The Chinese are almost raping the forests in Gabon. What representation have this Government and the EU made to the Chinese authorities about the way in which they are abusing their mineral and forestry rights in Gabon?

**Mr. Thomas:** My hon. Friend may not know, but we have been working closely through the European Union with a number of countries, including China, to address how we can improve governance of forests and conservation and reduce the rate of deforestation. UK representatives attended a conference at Beijing to look at exactly this issue, and to see how we can develop that relationship with the Chinese still further.

### Zimbabwe

6. **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): If he will make a statement on the humanitarian situation in Zimbabwe. [158522]

7. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): If he will make a statement on the humanitarian situation in Zimbabwe. [158523]

**The Secretary of State for International Development (Mr. Douglas Alexander):** The situation in Zimbabwe continues to deteriorate as a result of the appalling corruption and wilful mismanagement of the Mugabe

regime. We are, however, making a major contribution to humanitarian relief and working to protect the people of Zimbabwe from the worst effects of hunger and HIV.

**Mr. Vara:** I thank the Secretary of State for those comments. Given that more than 3,000 people die of HIV/AIDS in Zimbabwe every week, does he agree with me that the measure of success is not how much money is spent, but the number of people protected from infection and the number treated? Given those circumstances, what is he doing to ensure that British aid money is used to maximum benefit?

**Mr. Alexander:** On the specific issue that the hon. Gentleman raises, we are providing HIV treatment to 50,000 people in Zimbabwe this year and helping to keep AIDS-affected children in school. Clearly, this is a hugely challenging environment in which to be working at the moment—significant migration out of the country is taking place, its Government are in a relative state of collapse and its economy is diminishing almost by the day—but I assure hon. Members that we are determined to continue to provide humanitarian support, today and tomorrow, to the people of Zimbabwe.

**Mr. Evennett:** Has the Secretary of State seen the recently published report by Save the Children, which highlighted the plight of unaccompanied children, some as young as seven years old, crossing the border from Zimbabwe to South Africa? What is his Department doing about that? Has he had any discussion with the South African Government about that important issue?

**Mr. Alexander:** I assure the hon. Gentleman that through various different channels we are in regular contact with the South African Government on those issues. It is clear that Zimbabwe no longer represents simply a challenge or the humanitarian crisis of one country; given the outflow of migrants, be they children or older people, it is a crisis for the entire region. I pay tribute to the work of the Independent Television News broadcasting organisation, for bringing the plight of those children to the wider attention of the British public in recent years, and to Save the Children. I assure the hon. Gentleman that we continue to work closely with regional partners, including South Africa, to ensure that our humanitarian effort is targeted towards those most in need. Indeed, we have in recent weeks announced £8 million more for the World Food Programme to try to address the hunger needs of such populations.

## PRIME MINISTER

*The Prime Minister was asked—*

### Engagements

Q1. [158502] **Mr. Graham Brady** (Altrincham and Sale, West) (Con): If he will list his official engagements for Wednesday 17 October.

**The Prime Minister (Mr. Gordon Brown):** This morning, I had meetings with ministerial colleagues and others, and in addition to my duties in the House, I shall have further such meetings later today.

**Mr. Brady:** The owner of a local small business wrote to me yesterday, saying:

"I was made redundant…and started my own small business…I am approaching retirement and was hoping the sale would help support my pension which has already reduced by…the raid on pensions made by Gordon Brown."—*[Interruption.]*

**Mr. Speaker:** Order. Let the hon. Gentleman speak.

**Mr. Brady:** Under the new tax rules, my constituent's tax bill will rise from £2,520 to £9,504. Can the Prime Minister tell him what he has done wrong and why he is being penalised?

**The Prime Minister:** We have cut capital gains tax from 40 per cent. since 1997, when the Tories were in power. We have, as the Leader of the Opposition acknowledges, the most successful economy. We have created 2.5 million jobs, unemployment is down today, and businesses are thriving.

**Anne Snelgrove** (South Swindon) (Lab): My right hon. Friend will be aware that last Saturday marked the anniversary of the collapse of Farepak, in which 122,000 small savers were robbed of their money. I have just met the administrator, who tells me that she is unlikely to pay back any money before Christmas this year. In addition, none of the reports will be made public under law. Would he be prepared to meet me and my hon. Friend the Member for Livingston (Mr. Devine) to discuss how we can speed up the process and get justice for the victims of Farepak?

**The Prime Minister:** What happened to Farepak was completely unacceptable. We have worked very closely with all those people who have lost money as a result of Farepak and we will continue to do so. I will be very happy to meet my hon. Friend and any other hon. Members who are concerned about Farepak so that justice is done.

**Mr. David Cameron** (Witney) (Con): In the past four years, the number of people who have died from the hospital-acquired infection clostridium difficile has trebled. Ninety patients died in one hospital trust alone. The Healthcare Commission said last week:

"where trusts…are under severe pressure to meet targets relating to finance and access, concern for infection control may be undermined."

Will the Prime Minister now accept that the number and extent of his top-down targets are contributing to this problem?

**The Prime Minister:** It is because we are concerned about MRSA and C. difficile that in the past few weeks we have taken very special measures: isolation wards; we are about to appoint 3,000 more matrons; and we are about to do a deep clean of hospitals. The right hon. Gentleman raises the issue of targets and cites the Healthcare Commission, so let me quote to him what its chairman, Sir Ian Kennedy, has said:

"Targets or their equivalent are an inevitable feature of a modern 21st century healthcare system…The obligation to meet targets cannot be used as an excuse for failing to meet other managerial objectives."

He also says—and I hope that the Leader of the Opposition will take this into account—

"targets are not to blame for the trust leaders taking their eye off the ball."

He adds:

"Managers always have to deal with conflicting priorities and plenty of organisations...do it successfully."

In other words, it is not targets that are to blame. We have got to invest in the health service. Will he invest in the health service as we will?

**Mr. Cameron:** It is clear that the Prime Minister has not read the Healthcare Commission report. The report could not be clearer. On the Maidstone hospital, it says:

"senior managers were...reluctant to implement major infection control measures"

because of the need to meet targets. It was not just that one hospital. The report on Stoke Mandeville said:

"The achievement of the Government's targets was seen as more important than the management of the clinical risk inherent in C. difficile. This was a significant failing."

Almost one in two hospitals agrees that targets are getting in the way of infection control. The National Audit Office and the Public Accounts Committee both agree. What makes the Prime Minister think that he is right and they are wrong?

**The Prime Minister:** The right hon. Gentleman has not done his research. Targets are responsible for waiting lists, which were at a quarter of a million, being almost zero for those people at six months. Targets are responsible for a 17 per cent. fall in heart disease. Targets are responsible for a 40 per cent. fall in coronary disease.

The right hon. Gentleman quotes the Healthcare Commission. I have quoted Sir Ian Kennedy, who is its chairman, saying that targets are not to blame. Let me also quote the new chief executive of Maidstone and Tunbridge Wells NHS trust. He said:

"targets are there for a reason but that should not stop us from focusing majorly on patient safety, that is the number one priority".

The Leader of the Opposition should recognise that the reason we can invest more in tackling MRSA and C. difficile is that we are spending more money on the health service. He voted against that spending.

**Mr. Cameron:** The Prime Minister—*[Interruption.]*

**Mr. Speaker:** Order.

**Mr. Cameron:** The Prime Minister came to office saying—*[Interruption.]*

**Mr. Speaker:** Order. I hope that the hon. Member for Dudley, North (Mr. Austin) will not keep shouting. You have a difficulty in Prime Minister's questions because you keep shouting. You should not do it.

**Mr. Cameron:** It comes to something when you have to tick off the Prime Minister's Parliamentary Private Secretary, Mr. Speaker.

The Prime Minister said that he would listen to people, but he is not listening to those working in the NHS. The Healthcare Commission quotes one senior manager saying that

"if anyone says the top priorities aren't money and targets, they are lying".

The nurse of the year, who resigned today, says that she is leaving because of bureaucracy, reorganisation and paperwork.

MRSA deaths have quadrupled. C. difficile deaths have trebled. If we are going to deal with hospital-acquired infections, does not the Prime Minister understand that he has got to listen to the people who work in the NHS?

**The Prime Minister:** It is precisely because I have been listening to the British people that we have put an extra £100 million into tackling MRSA and C. difficile. It is precisely because we are listening that since I took over this job we are now insisting that every patient who comes to hospital will be screened against the possibility of MRSA. It is precisely because we are listening that we are going to do a deep clean of hospital wards. It is precisely because I am listening that we are going to double the number of matrons.

None of that extra expenditure would be possible if we accepted the Conservative party's plans on spending. It has a £6 billion black hole in its spending plans, which would mean deep cuts in the national health service. The Leader of the Opposition should listen to the experts on this matter, who are saying that targets are not to blame. We need investment and reform in the health service, and only we on this side of the House can do it.

**Mr. Cameron:** If the Prime Minister wants to ask me questions, he should call an election. In the meantime, he says that this is all about how much he listens, so let us ask about the other important issue of this week and whether he is listening. His manifesto promised a referendum on the European constitution. The overwhelming majority of people in this country want a referendum on the European constitution. European leaders, the European Scrutiny Committee and his own representative on the European Convention all say that the new treaty is the same as the constitution. Will he tell us why will he not grant a referendum on that constitution?

**The Prime Minister:** I see that the right hon. Gentleman has given up on the health service now. Let us come to the European issue.

In 1992, every member of that shadow Cabinet refused a referendum on a far more significant treaty. The Foreign Secretary voted against a referendum on Maastricht. Why is this treaty different? It is different because it is not a constitutional treaty; it is an amending treaty. Why is it different? It is different because we won a protocol in the charter of rights, we got an opt-in on justice and home affairs, we got an emergency brake on social security, and we have exempted the security issues. All those changes have been brought about in the past few months, and that is why not one Government in Europe—apart from the one in Ireland, who are bound constitutionally to have a referendum on anything—are proposing a referendum on this treaty. Just as those on the Conservative Front Bench voted against a referendum in 1992, they should have the honesty to vote against it now. *[Interruption.]*

**Mr. Speaker:** Order. Before the next question, may I ask the hon. Member for Peterborough (Mr. Jackson) to be quiet as well? He is not the only one, but if I get him to be quiet I am sure that the others will follow.

**Mr. Cameron:** The Prime Minister called my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) the Foreign Secretary. I have to say to him that it is just a matter of time.

Let us be clear about what Labour's representative on the European Convention, the hon. Member for Birmingham, Edgbaston (Ms Stuart)—[HON. MEMBERS: "Where is she?"] Where is she? She has probably been sent for re-education. Let us be clear about what she said:

"The red lines are red herrings. It's a matter of trust and integrity. A referendum was promised. It should be delivered. If Labour can't trust the people, why should the people trust Labour?"

It is a simple question: is she not right?

**The Prime Minister:** We will do what is right in the interests of the British people. If the right hon. Gentleman wants to trade quotes, he should listen to the chairman of his own democracy commission, who says that the proposal for a referendum under the Tory plans is "crackpot", "dotty" and "frankly absurd". I know that the Leader of the Opposition likes pre-rehearsed soundbites—*[Interruption.]* I know that he is good at PR—*[Interruption.]*

**Mr. Speaker:** Order.

**The Prime Minister:** I acknowledge that the Leader of the Opposition is good at PR, but did he not go too far last weekend when he went to California and said in a newspaper interview:

"look at me and think of Arnold Schwarzenegger"?

That is the last thing on anybody's mind.

**Mr. Cameron:** People will look at the Prime Minister and just say, "Here is a man who breaks his promise." Why does he not admit that the reason he will not have a referendum is that he is scared of losing it? Does he not understand that if he breaks his promise on this, no one will trust him on anything else?

**The Prime Minister:** If we were deciding whether to join the euro, we would have a referendum. If the treaty were the old constitutional treaty, we would have a referendum. Because it is an amending treaty that is not fundamental change, we have managed to negotiate red lines in Europe which mean that the national interest is protected. Britain will decide on justice and home affairs; Britain will decide on foreign policy where it is multilateral; Britain will decide on social security; and Britain will decide on national security. We will at all times stand up for the British national interest.

**Derek Wyatt** (Sittingbourne and Sheppey) (Lab): On Saturday evening, I sense that the nation will be watching its television sets as England plays South Africa in what has been an extraordinary Rugby world cup. I wonder whether the Prime Minister would like to send a message to the team.

**The Prime Minister:** I think I might be able to speak for the whole House here. I think the whole House wishes to congratulate the England team on a magnificent performance in reaching the final. I think the whole House wants to wish Brian Ashton, Phil Vickery and the whole team our best wishes for Saturday's match. As someone who, like my hon. Friend, follows rugby, and met the England team recently, I wish to send our best wishes so that England returns with the world cup on Saturday night.

**Dr. Vincent Cable** (Twickenham) (LD) *rose—*
*[Interruption.]*

**Mr. Speaker:** Order. Vincent Cable.

**Dr. Cable:** Does the Prime Minister agree with the comments of the Chief Secretary to the Treasury that there is a moral case for rewarding marriage through the tax system?

**The Prime Minister:** May I first of all say—and I think I speak for the whole House—that we send our best wishes to the former leader of the Liberal party, who is a distinguished parliamentarian? He is a man of integrity, he is a man of honesty and he is a man of decency. Let me welcome the shadow Chancellor of the Liberal party to his position as temporary leader of the Liberal party. If things go on in this Parliament at this rate of change, every single Liberal Member will have the chance to be leader of the Liberal party.

As far as the tax issues are concerned, it is because we recognise marriage in the tax system that we have made the changes that we have on inheritance tax; it is because we recognise marriage in the tax system that—*[Interruption.]* It is only possible because we recognise marriage in the tax system. But as far as children's tax credits and child benefit are concerned, I believe that the duty of every citizen of this country is to support not just some children in our country, but all children.

**Dr. Cable:** I thank the Prime Minister for his gracious comments and for his welcome.

Both of us are happily married men, but why has the right hon. Gentleman crafted an inheritance tax system that discriminates against millions of unmarried couples and their children? And why is he lining up with the Tories to defend the principle that these families should not merely be condemned to the everlasting flames of hell, but should be taxed more on the way?

**The Prime Minister:** I am grateful to the hon. Gentleman for letting me into the secrets of his marriage. It has always been the case that marriage is recognised in the inheritance tax system. I have not seen him making very detailed proposals to change that in recent years. As far as inheritance tax is concerned, if we took up his proposal and extended it to everyone, that would be a very great additional expense. I do not know how Liberal party policies would be able to cope with yet another spending commitment, because in the last few days we have had commitments to a border police force, high-speed rail links, more money to Visit Britain and reducing VAT on historic buildings—£18 billion of spending commitments in all. The most

recent one that I want to draw attention to is more investment in bullying prevention; perhaps they should look at that as a party.

**Mr. Dennis Skinner** (Bolsover) (Lab): Does the Prime Minister agree that the Treasury Committee, which is looking into Northern Rock, would have a lot more clout if only it could intervene before such financial dealings got out of control? Is he aware that the Notting Hill finance group has got another financial scam—to spend £3.5 billion of taxpayers' money and raise only £650 million? That is another Northern Rock waiting to explode. And one of them has got previous—he was involved in Black Wednesday.

**The Prime Minister:** My hon. Friend is absolutely right. There is a £6 billion black hole in the Conservatives' promises. They cannot afford to pay for their spending commitments and are back to where they were in 1992—with more spending, lower taxes and less borrowing. Where did that end? It ended not only in Black Wednesday, but with 3 million people unemployed, public spending cuts and 15 per cent. mortgage rates. And the economic adviser to the Chancellor at the time is now the Leader of the Opposition.

Q2. [158503] **David T.C. Davies** (Monmouth) (Con): The Prime Minister should be aware that the Royal Monmouthshire Royal Engineers regiment has sent more than 100 Territorial Army soldiers to Iraq in support of hard-pressed regular British soldiers. Will he therefore explain to the House why funding for the Territorial Army has been slashed by millions of pounds, and why the Royal Monmouthshire has been told that it can no longer recruit?

**The Prime Minister:** I shall immediately look into what the hon. Gentleman says about the Royal Monmouthshire, but I can tell him that expenditure on the defence forces as a whole is going to rise by more than £1 billion a year over the next few years. We have just made it possible for there to be extra commitment to equipment in Afghanistan. We will do everything in our power to support the magnificent men and women fighting for our armed forces in Iraq and Afghanistan, and I hope that that would be common ground between the parties.

**Dr. Howard Stoate** (Dartford) (Lab): Does my right hon. Friend share my concerns that obesity is the most important public health issue facing our nation today? Not only does it shorten the lives of sufferers but, ultimately, it affects the whole of society. Does he share my view that obesity cannot be tackled by Government alone, but will he outline the Government's proposals to deal with this very important problem?

**The Prime Minister:** My hon. Friend is a doctor, and he brings to the subject a great deal of knowledge about the damage done to young children when obesity is allowed to go unchallenged. Not only must we deal with the advertising of unacceptable foods and persuade the food labelling authorities to make food labelling better to deal with those foods, but we must have a push on fitness in our schools. That is why we will move from two hours to five hours of sport a week in our schools over the next few years, and every young child will have the chance to enjoy a range of sports. That will be possible only because we are able to spend the money necessary to recruit sports teachers and improve sports education in our schools. That would not be possible if we had a £6 billion black hole in our finances.

Q3. [158504] **Michael Fabricant** (Lichfield) (Con): Last Friday, I saw how moved the Prime Minister and the Defence Secretary were at the opening of the armed forces memorial near Lichfield. It has places for the names of 16,000 men and women who have lost their lives serving their country since 1945, but will the Prime Minister take this opportunity to clarify precisely how many troops currently in Iraq will return to the UK before Christmas?

**The Prime Minister:** I join the hon. Gentleman in paying tribute to all those who made that new national memorial possible. It is in the centre of our nation, so friends, relatives and families from all over the country can visit and pay tribute to those who have lost their lives since the second world war. As he rightly says, there are already 16,000 names commemorated in the stone of what is a most magnificent statue and memorial, which has been created using donations from large numbers of people. I hope that all Members of Parliament will be able to help their constituents to visit it.

The hon. Gentleman also asked about Iraq. As I have said before, the numbers go down from 5,500 to 2,500 by next spring. They go down from 5,500 to 4,500 and then to 4,000 in southern Iraq over the next few months.

Q4. [158505] **Sarah McCarthy-Fry** (Portsmouth, North) (Lab/Co-op): In view of the appalling ongoing situation in Burma, I welcome yesterday's announcement by European Ministers of stronger sanctions against that country, but I especially welcome my right hon. Friend the Prime Minister's promise of aid if the Burma regime moves towards greater democracy and reconciliation. What more does he think that we can do to help the people of Burma?

**The Prime Minister:** I think that hon. Members of all parties in this House will agree that the Burmese regime is repressive, illegal and undemocratic. The sanctions agreed by the EU this week are an important way to deal with the export and import of timber, but we must move forward and look at investment sanctions as well. Members of the Burmese regime must know that unless they change, we will step up the sanctions against them. At the same time, we support the efforts of Mr. Gambari, the UN envoy who is now in the region. I hope that he will be given the chance to meet a wide range of people in Burma so that he can assess the situation.

My hon. Friend has taken a big interest in these matters over the years and, as she said, we are ready to support a reinvestment programme with funds so that the poverty, injustice and inequality that exist in Burma can be tackled if there is a move towards reconciliation and democracy in that country. Our strategy is not only to push the regime to change, but to offer to a new

regime and Government our support for economic development and social improvement. I believe that all countries around the world, including China and the Asian countries, will be prepared to support that initiative.

Q5. [158506] **Mr. Adrian Sanders** (Torbay) (LD): This week an English Heritage survey found that 75 per cent. of respondents felt that seaside towns were shabby and unattractive, and that the Government should invest more to preserve what is distinctive about them. My constituency of Torbay works hard to upgrade its facilities and to make it an attractive place, and I am sure the same is true of all our seaside towns. What are the Government going to do to help the renaissance and regeneration of these important contributors to the British economy?

**The Prime Minister:** I happen to agree with the hon. Gentleman that we must do more for our coastal towns over the next few years. We must make them more attractive for tourism and we must aid their economic regeneration. That is why we have increased real-terms expenditure on coastal towns by nearly 40 per cent. over the last 10 years. As a result of employment growth, there has been a 12 per cent. rise in employment in coastal towns over the last decade, compared with 7 per cent. for the economy as a whole. Regional development agencies and local government will be given the resources that are needed so that we can regenerate, where it is necessary, the coastal towns that can serve our economy by being great tourist attractions as well as lovely places to live in.

Q6. [158507] **Jeff Ennis** (Barnsley, East and Mexborough) (Lab): Is my right hon. Friend aware that in my constituency 7 per cent. of people were claiming jobseeker's allowance in 1997 and that the figure is now just 3.1 per cent.? Does he agree that the main reason for that success is the implementation by the Government of the new deal and the creation of better pathways into work?

**The Prime Minister:** There are two and a half million more people in jobs than in 1997. Two million people have been helped by the new deal since 1997 either to get training or a job. A large number of people are coming off incapacity benefit as a result of the measures we are taking. More single parents are going into work; there are now 700,000 single parents—not more than 1 million—on the inactive register. We have taken the number of people on income support and other benefits down by 1 million over the last 10 years, but that is possible only because we have a new deal that is able to help people get back into work. Unfortunately, the Conservatives would scrap the new deal. Let the debate begin: do we want a new deal that will help people to get jobs and equip them for the future so that British workers can get British jobs, or do we want a £6 billion black hole in public expenditure?

Q7. [158508] **Mr. Henry Bellingham** (North-West Norfolk) (Con): Is the Prime Minister aware that during the past year Army families were forced to call the Ministry of Defence special housing helpline 400,000 times? After 10 years of Labour Government, how does that dreadful state of affairs square with his pledge in Basra to uphold the military covenant?

**The Prime Minister:** I am grateful to the hon. Gentleman for raising the question of Ministry of Defence accommodation, because as part of the spending round we have agreed that over the next 10 years £5 billion will be spent on accommodation. That is not simply for renovating existing barracks; it will also make it possible for young servicemen and their families to become owner-occupiers for the first time. I hope the hon. Gentleman will support the additional expenditure. I have to tell the Conservatives that when we decide to make additional expenditures on defence, housing and health—where I am grateful to the hon. Gentleman, because he had to apologise for the Leader of the Opposition when the right hon. Gentleman said that hospitals would close—I hope that the Opposition, instead of having a black hole in their figures, will support that extra public investment.

Q8. [158509] **Laura Moffatt** (Crawley) (Lab): Earlier this year, my right hon. Friend visited Ceres Power in Crawley, which is developing a low-energy fuel cell that will probably make sure that many of our homes have low-energy output in the future. In last week's comprehensive spending review, the important environmental transformation fund was announced. How will Ceres Power and similar companies be able to take advantage of it?

**The Prime Minister:** I was very grateful for the chance to visit my hon. Friend's constituency; she is a wonderful MP, representing the interests of her constituents. Last week, we announced that we will continue with our programme that is doubling science investment, and one of the major beneficiaries will be the environmental and energy industries. I see not only British inventions flowing from that but new British jobs in the years to come. Again, I hope that there will be all-party support for the rapidly increasing science budget so that British inventions can create British jobs for British workers.

Q9. [158510] **Mr. David Evennett** (Bexleyheath and Crayford) (Con): Is the Prime Minister aware of the anger and concern about the proposed changes to hospital provision in south-east London, particularly the cuts and downgrades proposed to our own hospital, Queen Mary's, Sidcup? Can he confirm that the consultation will not be a sham and that he will actually listen to what local people say—or is this just another example of London being let down by Labour?

**The Prime Minister:** I think that the hon. Gentleman will acknowledge that in London alone there have been 27 new hospital schemes over the past few years; there are 44,000 more NHS staff; there are 650 more dentists; and there is more investment going into the hospital service than ever before. I hope that he will not fall for the scare stories peddled by the Leader of the Opposition about hospitals that are not closing and about the effects of the Darzi report. We are investing more than ever in hospitals and the health service in London, and that is possible only because the economy is moving forward and we are able to create the wealth in this country as a result of a Labour Government.

## Foresight Review of Obesity

12.32 pm

**The Secretary of State for Health (Alan Johnson):** The chief scientific adviser and his Foresight team have today published the report, "Tackling Obesities: Future Choices", which pulls together the latest evidence and expertise on this vital issue and seeks to answer the question: how can we deliver a sustainable response to obesity over the next 40 years? Foresight exists to challenge existing policy, and the report is nothing if not challenging.

The report predicts that, on current trends, by 2050, 60 per cent. of men, 50 per cent. of women and 26 per cent. of children and young people will be obese. Incidents of type 2 diabetes are set to rise by 70 per cent.; attacks of stroke by 30 per cent.; and cases of coronary heart disease by 20 per cent. Obesity-related diseases will cost the nation an extra £45.5 billion a year.

The implications for those individuals who are directly affected are profound. An obese young man who remains obese, as most are likely to do, will die, on average, 13 years younger than his peer group. However, the report is based on current trends. Our destiny need not be pre-ordained, and we can buck those trends, provided that we are all prepared to take the necessary steps. Indeed, the work assembled for this project gives the UK a platform to become a global leader in tackling a problem that is challenging policy makers across the world.

In recent years, we have focused more closely on child obesity. Sure Start children's centres provide parents with high-quality health advice in the crucial pre-school years. We now intend to start earlier still with the proposed nutritional grants for pregnant mothers. Over the past three years, the share of children on the school fruit and vegetable scheme who are eating five a day has increased from just over a quarter to just under a half. We have introduced tough new nutritional standards; we are investing almost £100 million a year to improve school food; and we have added an entitlement to cooking lessons on the national curriculum. We have established the national child measurement programme, which will provide the largest database of its kind in the world on children's weight. In 2004, only half of all pupils did two hours of high-quality PE and sport every week; today the figure is 86 per cent. We are now raising our sights so that every child has the chance of five hours sport every week, backed by a further £100 million of additional investment.

Working with the Food Standards Agency and the food industry, we have introduced front-of-pack labelling, and we have worked with Ofcom to prohibit television advertising of foods that are high in fat, salt and sugar during children's programmes. This was a bold measure, but we are determined to go further if the evidence supports the need to do so. We will therefore be reviewing the impact of the restrictions on the nature and balance of food promotion to all children, across all media.

The Foresight report endorses interventions such as these, but argues for an even bolder approach. The report says that although personal responsibility is a crucial determinant of our body weight, our environment also plays a vital role. The chilling reality is that modern life makes us overweight. As Sir David King puts it:

> "We evolved in a world of relative food scarcity and hard physical work—now energy dense food is abundant and labour saving technologies abound".

Modern transport systems, sedentary jobs and convenience food make life more comfortable, but also lie at the heart of this dilemma. In a sense, we are victims of our economic success. The pace of technological revolution outstrips human evolution.

Tackling this problem calls for a fundamental shift in approach. Although the report projects us forward 50 years, it does of course require action today, and many of the areas identified in the report cannot be tackled successfully by Government alone. I hope this report will trigger the national debate that is essential if we are to rise to the challenge.

The report highlights the responsibilities of employers to look after their employees' health, which is in the interests not just of their staff, but of the business: enhancing performance and improving productivity. The report also shows how small changes to everyday routines can make a real difference. For instance, employers might look at providing loans for bikes, not just season tickets; subsidising gym membership, not just canteens; and even putting out fruit at meetings, rather than biscuits. But the report also points to more substantial measures—for instance, with the built environment. Local authorities must ensure that healthy living is built into the infrastructure of our towns and cities so that planning systems improve our health and well-being.

The report examines the availability of, and exposure to, obesogenic food and drinks. Front-of-pack labelling is now increasingly prevalent, but industry has yet fully to embrace the colour coding system. There is emerging evidence that the FSA's labelling system is more effective at informing consumers and I want to work with the industry to see this adopted, but the report underlines the expectation for change. I have also asked the FSA to conduct an immediate investigation into the use of trans fats, to examine whether there is more we should ask the food industry to do in this area.

The report talks about the importance of targeted public health interventions. There are regional disparities in the prevalence of obesity and I hope that primary care trusts will look at what more can be done through advice and training in health consumption and activity to help obese people to achieve sustainable reductions in their weight. Underpinning all this is an acknowledgment that Government must do more. We will develop a comprehensive cross-government strategy on obesity to respond to the evidence in this report. Because of the need for concerted action on a number of fronts, I will convene a cross-governmental ministerial group to guide our approach.

We will continue to focus particularly on children. More than 80 per cent. of obese 10 to 14-year-olds remain obese into adulthood. As part of the spending review, we have already set our ambition to reverse the growth in obesity so that, by 2020, we reduce the proportion of overweight and obese children to the levels in 2000. Ensuring that our health service is as

focused on prevention as it is on treatment is already a priority, and obesity epitomises the need for that change.

In the past, tackling obesity has always been regarded as a matter of personal will-power, but as the report starkly demonstrates, people in the UK are not more gluttonous than previous generations and individual action alone will not be sufficient. Obesity is a consequence of abundance, convenience and underlying biology. Solutions will not be found in exhortations for greater individual responsibility, or in what the report calls the futility of isolated initiatives.

Let us begin the national debate here in Parliament today, and let us use the report to forge the consensus that will allow the UK to pioneer the new long-term integrated approach that the issue desperately requires. I commend the statement to the House.

**Mr. Andrew Lansley** (South Cambridgeshire) (Con): I am grateful to the Secretary of State for advance sight of his statement. Indeed, I am grateful—I hope that the House is grateful—to all those who worked on the Foresight programme and for their report.

The Foresight programme makes a clear argument: our human biology has not much changed, but our environment and our society have. We lead less active lives; we enjoy plentiful energy-dense foods. It has become normal to be overweight. It will become normal to be obese if we do not act now. Our response to this needs to change or the slide into obesity will create an epidemic of disease and the national health service will not cope.

The public health Minister, the right hon. Member for Bristol, South (Dawn Primarolo), called this a "wake up call". If it is, the Government have been asleep for the past decade while the alarm bells have been ringing. When the Labour Government came to office, they abolished the target on obesity that was set in the 1992 "Health of the Nation" White Paper. In 2004, the Health Committee's report on obesity said:

> "On present trends, obesity will soon surpass smoking as the greatest cause of premature loss of life."

In 2004, the Government abandoned their previous stance and set a target to halt the rise in childhood obesity by 2010. Since then, the rates have continued to go up, and what has been the Government's response to that? It had been to push the target back from 2010 to 2020. Frankly, we can see why they have failed. The Secretary of State talked about the child measurement programme, but what is the point of a programme that does not lead to any action? Children are measured so that there is an ability to take subsequent action. This is the way in which the Government work: targets as a substitute for achievement when what we really need is action—not gimmicks or one-off initiatives, but a sustained plan. As the Foresight programme makes clear, that plan has to tackle the whole map of factors that contribute to rising levels of obesity.

The plan must start with nutrition in pregnancy and early years. There is no evidence that the Secretary of State's voucher scheme alone will work. The National Institute for Health and Clinical Excellence has proposed guidelines for early years nutrition and all those proposals need to be supported. The plan must include the reformulation of foods. My colleague in the European Parliament, John Bowis, earlier this year led a parliamentary initiative to ban synthetic trans fats in Europe.

As the Government said earlier this year, saturated fats are the greater public health hazard. We need a supply chain initiative that will reduce fats, sugar and salt progressively and substantially. We must also promote good diet, targeting certain junk foods—today the Prime Minister called them "unacceptable foods". Nutrient profiling that stigmatises all cheese as a junk food just forfeits credibility.

Three years ago, when the Government published their public health White Paper, I argued for a combined traffic light and guideline daily amount system of front-pack food labelling. The Government got it wrong then, and now we have several confusing labelling systems. Will the Secretary of State today agree that the Government will back a combined traffic light and GDA labelling scheme?

Will the Secretary of State commit today to a national research centre on obesity? Will he commit to a nationwide programme to identify cardiovascular risk? Will he commit to supporting proven exercise referral schemes? Will he commit to ring-fenced public health budgets so that we cannot carry on seeing such budgets being raided to meet national health service deficits? Will he explain to the House why the number of public health staff has halved? Will he explain why primary care trusts are not on track to have trained school nurses in place by 2010, as was promised? Will he tell the House why the lottery funding for community sport has been halved, when half the population do no sport and take no active recreation?

Today, the Secretary of State said that he will develop a comprehensive cross-Government strategy on obesity. Three years ago his predecessor said at the Dispatch Box that he would develop a cross-Government campaign on obesity. The words do not change, but delivery never takes place. For a decade, the Government have presided over an escalating public health crisis. A succession of gimmicks has had little impact. There has never been the comprehensive action that is required. The issue is not just about individual choices; it is about social responsibility—our responsibility for our health. It is about stronger families that give young people the guidance and self-esteem necessary to make healthy choices and lead healthy lives, stronger communities that promote activity and sport, and corporate social responsibility to promote good diet and cuts to fats, sugar and salt, and to ensure that affordable diets are on offer in the most deprived areas.

There is an analogy to climate change. In both cases, we need a cultural shift, technological innovation, a framework of legislation, and Government action, and we need individuals to respond. My right hon. Friend the Leader of the Opposition and the Conservative party have led the argument for a greener Britain through social responsibility. I can today commit the next Conservative Government to meeting our obesity and public health challenges, through social responsibility, to ensure a safer, greener and healthier Britain.

**Alan Johnson:** I echo the hon. Gentleman's words about the work of the Foresight team. The review is a comprehensive piece of work. A group of experts spent two years formulating the evidence, and the review gives us an opportunity to become world leaders in tackling the problem. I really do not want to look back—

**Mike Penning** (Hemel Hempstead) (Con): I bet you don't.

**Alan Johnson:** Well, I just think that the report deserves discussion in Parliament, rather than a simple Punch and Judy show. *[Interruption.]* Well, I do believe that. I believe that obesity is one of the long-term issues on which politicians have an obligation to forge a consensus. I do not expect the Opposition to be in power for at least another 20 or 30 years, but undoubtedly Governments will change. Undoubtedly the Opposition will be in power at some stage over the coming years—I leave aside the Liberal Democrats. We must forge a consensus on the issue that allows the British people to believe that whatever Government come along, there is a comprehensive, integrated strategy to deal with what the Foresight report says is one of the most profound dangers and threats that the world faces.

Having said that, I will go through the points made by the hon. Member for South Cambridgeshire (Mr. Lansley) before I end my response by saying that I agree with much of what he said about the need to tackle the issue of good diet and the need to involve Ofcom more closely. Any objective look at what has happened in the past few years would suggest that, as the Foresight report recognises, the Government have taken a number of measures that are crucial to tackling the issues, and child obesity in particular. The first thing to say is that we commissioned the report. We set up the Foresight unit specifically to look at the issues long-term.

Secondly, we introduced the tough new nutritional standards that have been in place since September as regards the rubbish that was in vending machines in our schools. Over the past three years, the share of children on the school fruit and vegetable scheme who eat five a day has gone up from a quarter to just under half. Some 86 per cent. of school children now do at least two hours of high-quality sport or physical education. The Department for Transport is investing £15 million in the national cycling network, and 450 schools are due to benefit from that. We put £1 billion more into sport in this country. All of those measures and more are important, but that brings us back to the Foresight group's comment about the futility of isolated initiatives. What we need is much greater integration, and the Government need to do more in that regard as well, but we need to forge a political consensus on the matter across the House.

The hon. Member for South Cambridgeshire (Mr. Lansley) says that we have abandoned the target for 2010. We had a fairly modest target of stopping the rise in childhood obesity by 2010. As part of a discussion of the latest round of public service agreements, and educated by the early draft of the Foresight report, we decided to be far more ambitious and say that rather than halting the rise, we should reverse it to 2000 levels. That will take longer than 2010, which is why the aim is to achieve the target by 2020.

The point that the hon. Gentleman makes about the national weighing and measuring programme is right. I agree that we need to give that a legislative push. From the early results, it looks as though we are getting about 90 per cent. compliance, but that must be properly tested.

I do not agree with the hon. Gentleman about ring-fenced budgets. I am surprised by his remarks. Opposition Members have been speaking about the need for the NHS to be separated from politicians, with no targets and with the money being handed down and local trusts allowed to get on with it. The right approach is for us to give the money out to health trusts and to make them responsible for dealing with the issue, ensuring that there are indicative measures. The proper place to put the emphasis on public health is through the operating framework. We will do that at the end of the year.

The hon. Gentleman's other point—on public health staff—is a hardy perennial, and I was disappointed that he raised it in this debate. The number of nurses working in primary and community care settings has increased by 31,500 or 40 per cent. since 1997. That includes a 35 per cent. increase in the number of school nurses, so the number of people working on health in communities has increased enormously, as has the budget for public health and throughout the health service. All our aims are predicated on the massive increase in investment that we have put into the health service since 1997.

I agree with the hon. Gentleman about where the focus needs to be now. Indeed, I dealt with that in the statement. We need to ensure that we go further on colour coding and that we talk to the industry. We do not want to be attacked for unnecessary regulation. We want to persuade the industry, with the benefit of the report, that we all have a responsibility. Of course the Government have a huge responsibility, but so do others. If the Foresight report does not point us in the right direction, nothing will.

**Norman Lamb** (North Norfolk) (LD): Another day, another health statement. It is good to be back.

**Dr. Julian Lewis** (New Forest, East) (Con): Another day, another Lib Dem leader. *[Laughter.]*

**Norman Lamb:** The humour from the Conservative Benches is wonderful, but the guffaws are slightly forced.

I thank the Secretary of State for early sight of the statement. He is right that the report must be taken seriously. Unless we take decisive action, the consequences for people's health of obesity, such as diabetes and heart conditions, could be devastating and will bankrupt the NHS. It is important to stress that we should all take personal responsibility as individuals and as parents. Perhaps the three of us Front-Bench spokesmen should take part in the Great London run next year. I invite the Secretary of State to join me. I did it this year, and the Lib Dem health team is in pretty live condition—*[Interruption]*. Mr. Speaker, come to my aid. There is an awful lot of noise in the background.

**Mr. Speaker:** Order. In order to help the hon. Gentleman out, we must let him speak and ask questions.

**Norman Lamb:** It is also right that we should hold the Government to account for their action or inaction. Is this not a case of "here we go again"? In 2004 the White Paper promised a long-term strategy to tackle obesity, and Wanless urged joined-up thinking. In a high-profile announcement the Minister for Employment and Welfare Reform, the hon. Member for Don Valley (Caroline Flint), who was a Health Minister at the time, was put in charge of tackling obesity. Now, after three years of inaction, what do the Government propose? They propose a three-year comprehensive strategy on obesity. I know that the Government are famous for repeating announcements, but to take three years to repeat the announcement seems to take the biscuit.

**Dr. John Pugh** (Southport) (LD): Not the biscuit!

**Hon. Members:** The fruit.

**Norman Lamb:** Indeed, take the fruit.

We also have the inevitable, rather vacuous claims that the UK can be a world leader on the subject, yet in the real world the problem is getting massively worse and the UK compares badly with most other countries. Why did Derek Wanless conclude that his 2004 recommendations had effectively been ignored? Why have the public health budgets been raided to stave off financial crisis in many parts of the health service? Why have we no idea about how much we are spending on public health? How on earth can we monitor it if we do not measure how much we are spending on it in a given year? Why has the number of public health consultants and registrars declined?

Why has the take-up of school meals declined by almost 500,000 in the past two years? Schools now have to weigh their children, but why is there no follow-up action to give the schools the opportunity to do anything to tackle the problem that they uncover? Is it not right that the top priority must be to tackle child obesity, both through more exercise and through better diet?

The report highlights the risk of polarisation of society between

"the junk-food eating, less-educated poor and functional food eating, better-informed higher classes".

It highlights the importance of education, yet the statement is silent on the horrifying potential inequality in health outcomes between rich and poor. What is the Government's strategy to tackle that? Overall, is this not one of the worst examples of great rhetoric not being matched by action?

**Alan Johnson:** I do not think the report is an example of that at all. The hon. Gentleman welcomes the report, so I assume he has read it. It was not I who said that it gives us the opportunity to lead the world on the issue. The report itself states that the work assembled for the project gives the UK a platform to become a global leader in tackling a problem that is challenging policy makers across the world. It points out that nowhere across the world is there a comprehensive strategy to tackle the problem. It identifies some important community initiatives, such as the North Karelia project in Finland, which had remarkable success. The report suggests that we consider setting up a similar project in a couple of regions or cities in the UK.

The report makes it clear that no one has a magic bullet and that there is no single answer. There is no use waiting for some kind of medical technology to produce a magic pill or tackle the issue. That is not going to happen. The report concentrates our attention on the need to rise above the political fray and to accept that mistakes have been made, although I do not accept the hon. Gentleman's point. The science has moved on and our approach has moved on. One of the reasons why we commissioned the report and sponsored it is that we recognised that we were running to catch up on the evidence that the scientists were producing on the need to tackle obesity.

We can consider various initiatives. The hon. Gentleman mentioned health inequalities. The report states that the Government's action in tackling health inequalities and climate change could help, because energy saving could help to encourage people to exercise more. *[Interruption.]* The hon. Gentleman says from a sedentary position—you two are such chums, Mr. Speaker, on unhelpful comments from the back—that the statement was silent on that. In my statement to Parliament, I set out what is in the report, picking out some of the issues. The statement the day before yesterday—there does seem to be one almost daily—pointed out that we will introduce 100 GP practices into the 25 per cent. most deprived areas to try to deal with the problem of under-doctored areas. The report points to a series of measures that need to be taken, and tackling health inequalities is crucial. The hon. Gentleman talks about the day-to-day banter that we sometimes have, but the report will have an important role in tackling these problems in the longer term.

The reduction in the take-up of school meals has also been mentioned, so let me point out yet again that the city I represent followed Finland's lead and became the first to try to tackle health inequalities and problems with educational attainment by saying that every primary school pupil should be able to have a free breakfast, free fruit and free lunch. What is more, we did that before Jamie Oliver, and it had a remarkable impact. The programme is due to be assessed by Hull university, yet the incoming Lib Dem authority cancelled the scheme this year—[HON. MEMBERS: "Ah!"] Yes, they abolished it. So much for free school meals as a means of tackling deprivation. The Lib Dems in Hull say that we have to introduce this nationally, but it is not a problem for Kingston upon Thames; it is problem for Kingston upon Hull, so the local authority should be involved in tackling it. It is a disgrace that the programme has been abandoned.

Putting all that aside, I hope that the Liberal Democrats—whichever leader is in charge of them this week, next week or the week after—will engage fully in the debate. I believe that the Liberal Democrats have a huge contribution to make to tackling some of these long-term problems—and the Conservative party does

*[Alan Johnson]*

as well. As for the Great London run, I will consult shadow spokespersons to ensure that we all give the same answer!

**Dr. Howard Stoate** (Dartford) (Lab): May I congratulate the Foresight team on its excellent report and pay particular tribute to the work of the Minister for public health, my right hon. Friend the Member for Bristol, South (Dawn Primarolo), who made an excellent speech at the launch this morning? I am sure that my right hon. Friend the Secretary of State understands the frustration of people like me, who know how difficult it is to tackle this enormously complex problem of obesity, and that, like me, he recognises that the Government cannot solve the problem on their own. A whole societal approach is necessary, involving literally everyone in the country. Will he consider my wish list of the day? First, will he consider introducing a mandatory labelling scheme that could be agreed across the board—irrespective of whether individual supermarkets like it or not? Next, will he commit to having a school nurse in every single school, which would make a huge difference to the public health of the nation? Also, can I ask him to be even tougher on food advertising to children, particularly in respect of foods high in fat, salt and sugar, as that alone could make a considerable difference?

**Alan Johnson:** I thank my hon. Friend for his customary constructive comments and for giving us a good lead-in during Prime Minister's questions. I join him in congratulating our right hon. Friend the Minister for public health and, indeed, the Minister for sport and the Minister for Children, Young People and Families, all of whom were signatories to the report's foreword. My hon. Friend makes a very important point about the inability of Governments alone to tackle the problem. The report makes that point repeatedly and eloquently, which will provide a huge boost to my hon. Friend's other point about the need to convince those involved of the need to produce a better food labelling scheme. I am not saying that I am going to push anyone into anything, but as Bob Dylan once said,

"You don't need a weather man to know which way the wind blows."

As far as school nurses are concerned, we cannot commit to one for every school, but our plans relate to clusters of schools and we intend to follow our successful approach to school sport. We want the expertise to be present in order to benefit a number of schools in an area.

**Sir Nicholas Winterton** (Macclesfield) (Con): May I advise the Secretary of State that I believe that there is an obesity pill, so his earlier comment was perhaps ill informed? In connection with the increased hours for sport and exercise in schools, will the Secretary of State ensure that team games—not just any exercise—are provided in school? We need team games, which I believe are the best for keeping young people fit, and to have team games, we need sports fields. Will he therefore remonstrate with local authorities because, under the learning communities programme, schools are merging and selling off the sports fields? That is happening in my village of Poynton, where the Vernon infants and junior schools are combining. I am in favour of the merger, but not of selling off the sports field, which is currently part of the infants school and adjacent to the junior school. Will he contact the authority to make it clear that this must not happen? We need playing fields if we are to provide more recreation, exercise and sport in schools.

**Alan Johnson:** The hon. Gentleman is right that there are various pills around, but they have not proved to be particularly successful. The report points out that they have had varying degrees of success, but that no single medical solution is likely to come along and solve all the problems.

I agree with the hon. Gentleman about the need for team games and sports. There was a period in which it was felt in the education world that competitive sports were somehow bad for children. That is ludicrous and it should go back to whichever strange opinion former it stemmed from. It is essential to have sports, including team sports.

School sports field are important. This year, for the first time in many years, there was a net increase in the number of sports fields opened rather than closed. The policy that we introduced insists that no school can get rid of a sports field without the express permission of the Secretary of State, and only then if the money received for it is going to be reinvested into sport, fitness and education. I believe that the hon. Gentleman will welcome that policy, as he will welcome our extra £1 billion investment in sport.

**Mr. Andy Reed** (Loughborough) (Lab/Co-op): As my right hon. Friend knows, I take a great interest in increasing the level of physical activity in response to obesity. Building on what the hon. Member for Macclesfield (Sir Nicholas Winterton) has just said, will my right hon. Friend commit to ensuring that the single delivery system for sport, physical education and activity across the country—the county sport partnerships and others—becomes more heavily involved with primary care trusts? I offer the Secretary of State the opportunity to visit Leicestershire county sports partnership, which I chair, as one example where the local PCT is heavily involved in our activity.

Will my right hon. Friend also work with the Department for Culture, Media and Sport to define clearly the roles of Sport England and the Department of Health? There are some difficulties, of which the attitude to walking is a good example. It is a great way of getting people to start to take up physical activity and then move into sport. That was demonstrated last week when it was found that 40 per cent. of people taking up sport in north-west Leicestershire did so as a consequence of walking. Will the Secretary of State try to bring those two elements together and clearly define who takes responsibility for which part of the governmental programme? That is crucial to delivering the first steps in tackling adult obesity. We can tackle child obesity if we get school sport right.

**Alan Johnson:** The answer to my hon. Friend is a very simple yes. What he says is crucial and the talks with the DCMS have already started. My hon. Friend

has made an enormous contribution to sport in this country and I believe that he can make an important contribution to the work that is now under way. As I mentioned earlier, the Minister for sport, the Minister for Children, Young People and Families and the Minister for public health are working closely together. The new cross-Government initiative will involve everyone in government. I believe that my hon. Friend the Member for Loughborough (Mr. Reed) has a very important role to play, and we will be in touch.

**Mr. David Chaytor** (Bury, North) (Lab): I find it a bit odd that the shadow Secretary of State criticised the Government for abandoning and relaxing targets when, only an hour ago, that is exactly what the Leader of the Opposition called on the Prime Minister to do. On the question of the futility of isolated initiatives, my right hon. Friend has accepted the need for an integrated approach in central Government, but does he also accept that, in reality, it is at local authority level that the integration will have to take place? Only the local authority and the children's trusts can seriously integrate and influence health, schools, leisure, youth services, land use planning and transport planning. Does he agree that this will be a real test of the Government's commitment to ending simple top-down government and to decentralising more? Will it not also be a real test of the ability of children's trusts to deliver and, indeed, of the commitment to achieving all five outcomes in the "Every Child Matters" agenda?

**Alan Johnson:** I do agree with my hon. Friend. I do not know whether he has had an opportunity to read the report yet, but the Foresight group says precisely what he has said—that it is at local government level, where initiatives in Finland and other parts of the world have been hugely successful, that we can establish what could be described as an embryonic facility to test measures that may well be necessary throughout the country.

The group also makes the point that planning is central, especially local authority planning. Cities must be planned on a particular basis. They should not be like Los Angeles, where people take the car to buy a pint of milk. We should look towards 2050 and the world beyond, and plan for that world now. That is why my right hon. Friend the Minister for public health and others are in touch with the Local Government Association to talk through the issue and try to identify areas—Bury might be one of them—where we can try out some of this integrated work at local level.

**David Tredinnick** (Bosworth) (Con): Is not the dismal truth that the problem has occurred on this Government's 10-year watch? As much as anything, it is about a failure to inform effectively.

Does the Secretary of State agree with Peter Hollins, chief executive of the British Heart Foundation? He says that the report

"is hardly a wake-up call. Repeated reports like this... should have had alarm bells ringing in Whitehall long ago".

Is it not clear that we must now consider not just the level of calories, but the degree to which food is processed? Will the Secretary of State take that into account when he considers labelling?

Finally, what advice is the Secretary of State taking from the United States, which has an even larger problem than we have? Will he examine that problem very carefully?

**Alan Johnson:** I do not accept what the hon. Gentleman says. I do not blame earlier Governments. The Foresight report looks back at many, many years. A useful section considers the approach to smoking over the years and notes that although there has been a big public health success in that regard under Governments of different persuasions, it was preceded by a long route that began in the early 1960s with information, proceeded to more intervention, and concluded with regulation providing for smoke-free areas. It would not have been possible to implement such regulation back in the 1960s: there would have been public outrage. The Foresight group's point is that obesity is a long-term issue which has not arisen under any particular Government's watch. Indeed, it is a global problem.

I was disappointed by the hon. Gentleman's quotation from the British Heart Foundation—it may have been taken out of context—because the report adopts the most comprehensive approach possible. Scientists have examined the matter scientifically. I did not have a chance to reply to a question from the shadow Secretary of State, who asked whether we would put together a team of experts or something of the kind—

**Mr. Lansley:** A research centre.

**Alan Johnson:** We plan to keep the same team together to work on the project, although I do not know whether the building in which they are housed will be called a research centre.

The way in which food is processed is central. We can learn lessons from the United States, which does indeed have a far greater problem, although we will soon have as great a problem here if we do not do something about it. My right hon. Friend the Minister will talk to her opposite numbers in the United States during her visit, which will take place shortly.

**Angela Watkinson** (Upminster) (Con): Will the Secretary of State stress the importance of personal responsibility to the campaign? Information about diet, nutrition and the importance of exercise is available wherever we turn, and it is difficult to understand how the message has not already reached everyone in the country. No adult in this country is force-fed, and adults must take responsibility for what they choose to eat, but parents must take responsibility for what their children eat. They cannot transfer the responsibility to schools. Our schools are doing a very good job with the meals and exercise that they provide, but parents can give their children exercise in the form of sporting activities at the weekend, and they must take responsibility for that.

If the campaign is to succeed, we cannot constantly provide excuses for people. Obesity is not the fault of Government, the advertising industry, the food industry, schools or the health service. People must take personal responsibility.

**Alan Johnson:** I could not agree more with the hon. Lady on one very important point. The Foresight report says that this is not just a question of individual responsibility, although it does not suggest that it is not an element. What the authors want to tackle is the view that the problem is merely about people who eat too much, and has nothing to do with the way in which society is organised. They point out that because our biology has not kept pace with technological advances, the amount of energy that we take in is not matched by the amount that we expend. That is an important point, particularly because obesity gives rise to bullying, which affects youngsters in this position.

The hon. Lady is, however, absolutely right about the amount of information that is available. What we must ask is why, if all that information is there, people are not acting on it. She is also right about the need for parental responsibility. The fact that mothers were passing fish and chips through the railings at that school in Yorkshire is thoroughly depressing. Ensuring that youngsters become used to a healthy diet from a young age depends on their having that healthy diet at home as well. There is a two-way education process, involving parents as well as others. I think that the hon. Lady's question, which will be encapsulated in *Hansard*, is the very first important contribution to the debate.

**Jeremy Wright** (Rugby and Kenilworth) (Con): May I pursue what was said by my hon. Friend the Member for Upminster (Angela Watkinson)? Does the Secretary of State accept that one reason why children eat more fast food and ready meals than they should is the increasing time pressure on ever busier parents? If he does accept that, what steps will the Government take to implement flexible working and other family-friendly policies so that parents can go home and cook more wholesome food for their children?

**Alan Johnson:** That is precisely why I personally took legislation through the House introducing the right to request flexible working, which at the time was attacked by the trade unions because it did not give a right to demand flexible working, and by some, although not all, sectors of business on the grounds that it imposed a burden on business. In fact, it has been remarkably successful: 80 per cent. of requests are accepted without the need for any process, while a further 10 per cent. are accepted following discussion about how more flexible working can be accommodated.

The first six months of a child's life are crucial. The report mentions breastfeeding in that context. Paid maternity leave has been increased to 26 weeks and more recently to nine months, and eventually it will be increased to a year. Men now have paid paternity leave. All that is essential to the debate. The hon. Gentleman ought to look at the record. I do not want to make a political point, but I will in the sense of reminding him that the Conservative party opposed those proposals.

We need to expand that flexibility. We have already extended it to carers, but I believe that we should now extend the right to request flexible working much more widely, perhaps as part of the debate on obesity.

**Miss Julie Kirkbride** (Bromsgrove) (Con): I was heartened by the Secretary of State's answer to my hon. Friend the Member for Upminster (Angela Watkinson). He appeared to downgrade the role of personal responsibility in his statement when he said, "In the past, tackling obesity has always been regarded as a matter of personal will-power". Is it not clear that we all learn and that we do not need a red light on a packet of crisps to tell us that they are fattening? There is no reason why we should not have the occasional packet of crisps, but if a parent gives a child a packet of crisps at breakfast, morning break, lunch, tea and supper, the child will clearly have an obesity problem. Is the Secretary of State perhaps a little nervous of making it clearer to the public that it is first and foremost up to them, not Governments, to change their personal behaviour?

**Alan Johnson:** We are trying to make clear the role of personal responsibility. The report speaks of an obesogenic environment, suggesting that modern life and the way in which the world now works make people fat, and that that must be tackled on a much wider basis than individual personal responsibility.

I am sorry if I downplayed personal responsibility. I am merely drawing attention to the report's observation that in the past, when Governments wanted to tread on this territory, the first response was always "nanny state" and the second was that it was up to individuals to deal with the problem. According to the report, if Governments proceed along those lines, the issue will never be tackled successfully. Personal and parental responsibility are an essential part of tackling it, but there is a much wider issue that must be addressed by all elements of society, with Government taking the lead.

**Philip Davies** (Shipley) (Con): As someone who used to work in marketing for a supermarket chain, may I tell the Secretary of State that proposals to ban so-called junk food advertising on television and to introduce a state labelling system will not make any difference to childhood obesity? They will simply be another triumph for the nanny state. May I suggest that he stops those measures that make it sound as though the Government are doing something but that will make no difference whatever, and instead promote the individual responsibility line outlined by my hon. Friend the Member for Upminster (Angela Watkinson)?

**Alan Johnson:** It is not either/or, and individual responsibility alone will not work. If the hon. Gentleman has a chance to read the report, which was written by eminent scientists, he will see that it makes it clear that food labelling and advertising form a crucial part of tackling the problem. In my view, the reason why advertising restrictions should go much further is that about 70 per cent. of children watch television programmes outside the traditional children's viewing times. I think that that is making a big contribution and will make a bigger contribution, but it is just part of the answer. The hon. Gentleman says that it is either/or, but that does not take us any further forward in the debate.

**Mr. Rob Wilson** (Reading, East) (Con): Is the Secretary of State aware that many hard-working local general practitioners have been trying to run programmes to tackle obesity in their local areas for many years? In fact, my local GP, Dr. Andrew Brewster, who is an excellent GP, recognised the problem some years ago

and developed an innovative and successful programme in my area. However, the big problem was that he could not get the funding from the NHS or the primary care trusts to run the programme, so he had to get the money from drugs companies. Does the Secretary of State agree that, for real change to happen, local GPs must be properly funded and supported to tackle obesity?

**Alan Johnson:** The GP the hon. Gentleman mentions could make a contribution to the debate. Of course primary care is essential to tackling the problem. I am not sure when the GP had problems with funding. An enormous amount of funding is going to GPs—indeed, we are often criticised for too much funding going to GPs, so I will be surprised if there is a problem at the moment in accessing money.

The hon. Gentleman is right, however, that GPs and primary care have as big a responsibility for prevention of disease as they do for tackling it. That is why we announced that there would be 100 new GP practices in the 25 per cent. poorest areas and 150 GP-led health centres around the country. As well as providing greater access, they will all have a responsibility on prevention as well as cure. I am sure that the GP the hon. Gentleman mentions would welcome that. It seems that he has been doing that work for many years. We want to see that replicated throughout the country.

## Points of Order

1.22 pm

**Dr. Julian Lewis** (New Forest, East) (Con): On a point of order, Mr. Speaker. You will be aware that at 9.30 this morning there was a very important Westminster Hall debate on a subject close to the heart of the Labour left wing and the Liberal Democrat party in particular, namely, arms exports. For the first time in such a debate that I can recall, there was no Front-Bench spokesman present from the Liberal Democrat party and, needless to say, there was no Back Bencher either. Given that the Liberal Democrats persistently like to style their Front-Bench spokesmen as shadow Secretaries of State, will you clarify once and for all that they are no such thing and that, therefore, if they wish to continue absenting themselves from debates, it will be welcomed by Government and Opposition alike?

**Mr. Speaker:** I am certainly not going to get drawn into that one.

**Mr. Peter Ainsworth** (East Surrey) (Con): On a point of order, Mr. Speaker. It is only a gentle point of order, but I wonder whether you have had a chance to look at the packaging material involved in the announcement that the Secretary of State for Health has just made. At a time when we are all trying to cut down on wasteful packaging, is it sensible to have the document in a half-empty box, in which a lot of junk food could probably be accommodated? Is not obese packaging the last thing we need?

**Mr. Speaker:** Once again, those matters have nothing to do with the Chair.

## BILL PRESENTED

### Elected Representatives (Prohibition of Deception)

Adam Price, supported by Lynne Jones, Mr. Dai Davies, Mr. Peter Kilfoyle, David Taylor, Dr. Richard Taylor, Mr. Angus MacNeil, Mr. Elfyn Llwyd, Hywel Williams and Andrew George, presented a Bill to create offences in relation to the publication of false or misleading statements by elected representatives; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 19 October, and to be printed. [Bill 162].

# Access to Pension Protection Fund Benefits

1.24 pm

**Mr. Mark Hendrick** (Preston) (Lab/Co-op): I beg to move,

That leave be given to bring in a Bill to make provision for the accessing of Pension Protection Fund benefits by people under the age of 50 who are suffering from a terminal illness; and for connected purposes.

For nearly all of us, contributing to a pension will be the most significant financial decision we ever make. Throughout our working life until the day we die, we will either be building or receiving a pension. Contributing to a scheme provides us with security for the future. It enables us to provide essential items such as food, warmth and housing, as well as allowing us fully to participate in society, economically and socially.

It is therefore distressing that, earlier this decade, thousands of people saw their savings vanish after their pension schemes went bust and were unable to meet their commitments. To avoid a repetition of that, the Government in April 2005 established the Pension Protection Fund under the Pensions Act 2004. Funded by an annual levy on defined-benefit and hybrid pension schemes, the PPF provides compensation to those whose pension schemes have become insolvent.

The fund has proved to be an invaluable safety net to thousands of workers who would otherwise have lost substantial pension savings. However, as a compensation scheme, the PPF has its own set of rules, which are set out in part 2 and schedule 7 to the Pensions Act and in the numerous statutory instruments made under it. Legislation specifies the level of compensation to be provided, and that is not necessarily the same as the person would have received had the pension scheme not wound up. In short, the PPF does not mirror the rules of individual pension schemes, and it is for that reason that I am proposing the Bill.

Significantly, the fund contrasts with final salary pension schemes and does not allow early payment of pension savings, for whatever reason, to anyone under the age of 50. For a specific set of people under 50 years of age—those diagnosed with a terminal illness—those rules are simply unreasonable. It is my belief that legislation should be amended so as to lift the current bar on payments to those aged under 50, if they are terminally ill.

As the Incomes Data Services pensions service explains, many pension schemes will allow unreduced early payment of a pension on ill health grounds. It states:

"In a final salary scheme, members who retire early often find that their pension is reduced to take account of the fact that it will be paid for longer. But if early retirement is due to ill health or incapacity an immediate pension is usually payable and this is unlikely to be reduced for early payment."

A parliamentary written answer confirmed PPF rules regarding ill health pensions. It stated:

"compensation to scheme members who have been awarded an ill health pension is calculated in the same way as compensation to any other scheme member of the same age.

There are no provisions to enable scheme members to claim ill health pensions from the Pension Protection Fund once the PPF has assumed responsibility for a scheme.

However, any scheme member may take early payment of their compensation at a capped level of 90 per cent. from age 50, subject to actuarial reduction."—[*Official Report*, 21 November 2005; Vol. 439, c. 1679W.]

As well as provoking inevitable feelings of grief, anger and loss, having a terminal illness can be expensive, often in ways that may not have been expected. That includes the cost of prescriptions, a special diet, child care or travel to hospital. In addition, money may be needed to make adjustments to an individual's home or to pay for making out or amending a will.

It might easily be the case that people in their 30s and 40s could have made anything between 15 and 30 years of payments into a scheme but do not qualify to receive benefits under the PPF rules, even though their original scheme would have paid out. For anyone aged under 50 and terminally ill, savings taken on by the PPF simply disappear. Only when an individual dies will payment be made to their spouse or civil partner. That situation is set to get worse in the next few years. In a fact sheet on early payment of compensation, the PPF confirms that before April 2010 the earliest age at which payment can be made will rise from 50 to 55, to comply with the Finance Act 2004.

The PPF covers 10 former pension schemes, but many more schemes are undergoing assessment. It is estimated that by the end of 2007-08, the PPF is likely to be responsible for an additional 65 schemes. Some 100,000 employees are members of schemes currently being assessed to see if they qualify to be rescued. Among them are 38,000 former Turner and Newall employees, whose scheme failed after the engineering company went into administration in 2007.

The Turner and Newall case provides a good example of why change to existing legislation is so necessary. That company, once the world's largest manufacturer of asbestos, ran factories in Rochdale, Washington, Widnes and Trafford Park, where many employees worked with asbestos every day. Working with asbestos can lead to asbestosis, lung cancer or mesothelioma. Employees were never told of the dangers to their health, and hundreds have been badly affected by working with asbestos products. Sadly, it is not difficult to imagine that some might well develop a terminal illness before they reach the age of 50. If that is the case and if the PPF covers Turner and Newall's pension scheme, terminally ill employees under 50 would not be entitled to a penny of compensation. When Lord Whitty recently raised this issue in the other place—I refer Members to column 121 of the record of the House of Lords debates of 6 June 2007—the Government argued that existing legislation ensures the PPF is uncomplicated and provides greater certainty about both payment levels and the affordability of the fund.

The financial assistance scheme makes payments to individuals diagnosed as terminally ill on provision of evidence that they are unlikely to live longer than six months. The six-months criterion is very harsh and it is extremely difficult for doctors to give any indication of precisely how long a patient might live. That period should therefore be extended to 12 months.

It might be useful to look at the cost incurred by the FAS in paying compensation to terminally ill individuals. When I contacted the FAS recently, I was told that that information was not recorded. Similarly, the Office for National Statistics advised me that pension schemes rarely document payments to terminally ill members, as that occurs so rarely. It is therefore reasonable to conclude that the cost of paying out to terminally ill claimants is somewhat modest, if it is not currently recorded for the FAS. Basic logic supports that assumption when one considers that pensions for the terminally ill are paid for a shorter period due to their reduced life expectancy. The FAS might also provide a useful model with regard to administration and process.

In respect of eligibility, a definition of terminal illness could be based on that used by other appropriate organisations. The Association of British Insurers uses the following definition in their best practice guide to critical illness:

"Advanced or rapidly progressing incurable illness where, in the opinion of an attending Consultant and our Chief Medical Officer, the life expectancy is no greater than 12 months."

Appeals against decisions could be referred to the PPF ombudsman, as is currently the practice for eligibility appeals. Of course, the precise definition of eligibility can be discussed and drawn up with the PPF board. The important point is that ill health benefits are allowed to be paid, which can only be enabled once existing legislation is amended.

The experience of the FAS and the lack of data held regarding terminal illness and pension schemes suggest that the PPF will not be inundated with requests for early payment based on ill health. That, together with the relative ease of determining an individual's state of health via medical certification, suggests that the task of assessing and processing the extra applications would not be excessively burdensome.

The proposed change is relatively modest. The Pensions Act 2004 should be amended, and individuals who are certified as terminally ill and aged under 50 should be allowed to access their savings as they would have done had their scheme not gone bust. In order not to provide too broad a provision, it could be restricted by reference to the discretion of the PPF board. This modest amendment would be of enormous significance to individuals in their last precious days. I ask the Government to consider extending the safety net to those who would draw immense comfort from it.

I commend the Bill to the House.

*Question put and agreed to.*

Bill ordered to be brought in by Mr. Mark Hendrick, Mrs. Janet Dean, Barbara Keeley, Mr. Doug Henderson, Mr. Elliot Morley, Jim Dowd, Lynda Waltho, Mr. John Heppell, Tom Levitt, Mr. Ian Cawsey, Mr. Neil Gerrard and John Mann.

ACCESS TO PENSION PROTECTION FUND BENEFITS

Mr. Mark Hendrick accordingly presented a Bill to make provision for the accessing of Pension Protection Fund benefits by people under the age of 50 who are suffering from a terminal illness; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 19 October, and to be printed [Bill 162].

1.35 pm

**Mr. Richard Benyon** (Newbury) (Con): On a point of order, Madam Deputy Speaker. This morning I secured a debate in Westminster Hall on defence exports, and many of my hon. Friends joined me in attending it in order to try to hold the Government to account on an important decision that has been taken and which concerns the Ministry of Defence. The Government sent along, however, a Minister from the Department for Business, Enterprise and Regulatory Reform, who did not appear to know anything about the subject. Can you advise me, Madam Deputy Speaker, how Members are to hold this Government to account on such an important issue when they send along a Minister from a different Department?

**Madam Deputy Speaker (Sylvia Heal):** Order. It is, of course, entirely up to the Government to decide which Minister attends any debate in this House. At the end of day, any Minister is still a Minister within the Government and has responsibility.

# Opposition Day

[20TH ALLOTTED DAY—FIRST PART]

## Foot and Mouth/Bluetongue

**Madam Deputy Speaker (Sylvia Heal):** We now come to the main business: the Opposition day. Mr. Speaker has selected the amendment in the name of the Prime Minister.

1.36 pm

**Mr. James Paice** (South-East Cambridgeshire) (Con): I beg to move,

That this House notes the swift action taken by the Department for Environment, Food and Rural Affairs to impose movement controls when foot and mouth was first confirmed on 3rd August, in contrast to the Government's failures in 2001; is alarmed that the outbreak originated from a laboratory site financed, licensed and inspected by the Government; notes that warnings about the inadequacies of the facilities at Pirbright were ignored; condemns this negligent approach to biosecurity; urges the Government to accept its responsibility for the situation facing farmers caused by the subsequent controls which for many has been compounded by the outbreak of bluetongue disease; and demands that the regulatory body for facilities using dangerous pathogens should be fully independent of the facilities' major customers.

I remind the House of my interest declared in the register.

For those of us who were involved in the catastrophe of 2001, the news on 3 August of another foot and mouth outbreak was a body blow. To be fair to the Secretary of State, he was open and helpful to my hon. Friend the Member for East Surrey (Mr. Ainsworth), myself and affected colleagues. He gave us access to his vets, and he and the Minister for the South East kept us informed. We are genuinely grateful for that collaboration. One should also point out that much of what happened predated the Secretary of State's appointment, but as is so often the case on such occasions, he was the unfortunate person left holding the parcel when the music stopped. I also acknowledge the swift action that was taken to clamp down on the disease by banning animal movements—a welcome contrast to the costly delays of 2001.

Early on Saturday 4 August, a farmer telephoned me and pointed out that the outbreak was near Pirbright. My immediate reaction was, "So what? That's just a coincidence." How wrong I was. Nobody realised then that this had been a disaster waiting to happen for five years and that the trail of incompetence led all the way to Downing street. As far back as 2002, an Institute for Animal Health review, commissioned by its owners the Biotechnology and Biological Sciences Research Council, stated:

"Some of the laboratories are not close to the standard that would be expected in a modern biomedical facility."

We also know from the Spratt report that from 2003 there had been concern

"that pipes were old and needed replacing, but after much discussion between the Institute, Merial and DEFRA, money had not been made available."

The report also contains a letter from Merial dated 20 July 2004 setting out specifications for improvements to the drainage and referring to an unspecified quote for the work. The reply from DEFRA simply stated that the proposals would appear to meet DEFRA standards for the safe transfer of the waste. That letter was dated 2 August 2004. Yet last week the Secretary of State told the House that

"until the state of the drains was drawn to our attention, and everybody else's, as a result of the HSE investigation, nobody thought that they were in such a condition. That happens to be the truth."—[*Official Report*, 8 October 2007; Vol. 464, c. 44.]

As there is now incontrovertible evidence that DEFRA knew about the state of the drains as far back as 2004, will the Secretary of State explain how he can claim that it did not know until September 2007?

In Spratt's final remarks, he says:

"There was evidence of a lack of urgency and ownership of risk at all levels, resulting in the failure to take appropriate decisions on the funding for essential improvements in safety critical infrastructure. This was particularly documented in the series of letters and reports from the biological safety officer of the Institute in his attempts over four years to get agreement on funding for the replacement of the effluent pipes."

Spratt also made it clear that DEFRA inspectors had confirmed that the drainage system was part of the category 4 containment system. He said that the pipes were old and appeared not to have been subject to regular, thorough inspection. Even during the past 18 months, there had been two incidents—both reported to DEFRA—where virus was released into the public sewer. So we have a catalogue of reports, recommendations and pleas for help regarding the drainage system. The Secretary of State cannot claim that DEFRA did not know. Some people certainly did, and the House should be told who they are.

However, it does not stop there. We find that in the years following 2002—with just one exception—DEFRA cut funding to the institute. As Spratt said, money had not been available. In January this year, the director of the institute told Radio 4:

"We are trying to deliver a Rolls-Royce service for surveillance in the UK but really we're being funded more and more at the level of a Ford Cortina. Essentially, we are flying by the seat of our pants."

Last week, the Secretary of State claimed that the vehicles were on the site

"because work is under way to spend the money on renewing the facilities at Pirbright. Some £31 million of that money has already been spent".—[*Official Report*, 8 October 2007; Vol. 464, c. 44.]

Yes, £31 million, out of a Pirbright redevelopment scheme fund totalling £121 million, is indeed a lot of money, but it is not actually relevant. In a written answer to my hon. Friend the Member for East Surrey, the Minister for Science and Innovation said:

"Tenders for the drainage scheme of around £220,000 were received in October 2006."—[*Official Report*, 1 October 2007; Vol. 463, c. 2346W.]

That work was approved in March and commenced in July. On 5 September, inspectors confirmed that the work had been completed. I quote:

"The institute has already completed relining of the effluent pipes with a polyester lining, blocked off disused drains and sealed the manholes."

So for £220,000 and six weeks' work, the disaster to the British farming industry could have been avoided.

However, DEFRA has another role. Under the specified animal pathogens order, it has to license such facilities. That includes meeting its own containment requirements, which the health and safety report clearly states were not met. Yet in December 2006, DEFRA inspected Pirbright, and according to Spratt,

"some issues relating to bio security were identified".

I remind the Secretary of State of Spratt's statement that the pipes did not appear to have been subject to regular, thorough inspection.

So why will the Government not publish that report? Is it because it is clear that the licence should not have been renewed? It seems odd that, despite the drains having been repaired, the licence is now suspended. Talk about closing the stable door after the cow has been shot! Are we really facing a foot and mouth outbreak for the second time in seven years because a facility had been licensed by DEFRA that should not have been? What is really hypocritical is that, if this had been a dairy farm or a shop selling food, it would have been prevented immediately from continuing in business until the problems were put right.

We know that DEFRA knew about the state of the drains four or five years ago. We know that it failed to fund the improvements—indeed, it cut the funding. Despite that, it went ahead and continued to license facilities that were rotten. It has cost the taxpayer well over £20 million, and rising. It has cost the English farming industry at least £100 million, and rising, and for Scottish and Welsh farmers the situation is just as serious. The potential damage, especially to our uplands, could be devastating.

What farmers need to know is, who is going to pay the price. When will somebody in DEFRA be accountable for this latest fiasco? Who will ultimately carry the can? Will it be the Prime Minister who, as Chancellor, cut the funding? Will it be the various Secretaries of State who ignored the warnings? Will it be the institute, or some inspector? No, we know that, as always with this Government, it will never be their fault. It is never their responsibility. Never resign, blame somebody else—that is the culture. The can, of course, is being carried—by the poor farmers up and down the country who cannot sell their stock, buy new stock, pay their bills or see a positive future. Already, farmers are deciding to quit the industry. They can take the weather; they can take decoupling; they can even take the vagaries of the marketplace, but they cannot—and nor should they—take the negligence of an incompetent Government.

**Mr. David Drew** (Stroud) (Lab/Co-op): We all know that this is a dreadful situation—as, indeed, a number of other animal disease outbreaks have been. However, will the hon. Gentleman, to be fair, acknowledge that this Government have spent a great deal of money on research into vaccination? Let us consider the example of tuberculosis, into which we had a number of inquiries. *[Interruption.]* The hon. Gentleman shakes his head, but is he aware that the Environment, Food and Rural Affairs Select Committee is looking into the money that this Government are spending internationally on this issue? Of course the Tories do not want to know—they do not spend any money.

**Mr. Paice:** I am very willing to engage the hon. Gentleman and anybody else on the subject of the incompetent way in which this Government have handled the tuberculosis business, as well, but that is not the issue facing us today.

**Mr. David Heath** (Somerton and Frome) (LD): Perhaps I might return the hon. Gentleman to foot and mouth, which is the worry for most of my farmers. Does he share my concern and that of many people in Somerset that infected carcases are being taken from the area of the foot and mouth outbreak and into my constituency—into the heart of dairying country—for disposal? Does he agree with me that that is an unnecessary and avoidable risk?

**Mr. Paice:** Any risk is worrying, and I can well understand the hon. Gentleman's concern, which has been expressed by many others. I hope that the Secretary of State will address that issue when he responds.

**Daniel Kawczynski** (Shrewsbury and Atcham) (Con): I listened to the Secretary of State address the House last Monday on the issue of the pipes in Pirbright. I remember that he said categorically that, although it was possible that pipes were faulty, it could not be guaranteed that that was the cause. Given the evidence that my hon. Friend has presented to the House today, does he agree that the Secretary of State must acknowledge that fact today, for the record?

**Mr. Drew:** Read the reports.

**Mr. Paice:** Anybody who has read the Spratt and the Health and Safety Executive reports will have come to the conclusion that my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) has reached. It is stated clearly that that is by far the most likely cause; no other substantive alternative cause of infection is ventured. I can well understand why the Secretary of State does not want to admit that. I am sure that thousands of lawyers are on his shoulder, pressing him not to do or say anything that could be construed as accepting responsibility. However, I do not think that there is any doubt about how the situation was caused.

**Mr. Richard Benyon** (Newbury) (Con): As a dairy farmer close to the exclusion zone, I must refer Members to my entry in the Register of Members' Interests. The Institute for Animal Health, at Compton, is in my constituency, so a lot of scientists—past and present—live there. There is great anger among them at the fact that the Government are ignoring the way in which they go about their business, which is world renowned. They believe that the Government just want to dip in and out of the science and get a quick-fix solution. The actual solution is to look at the whole biology of these pathogens, but the scientists are prevented from doing so by the manner of their funding.

**Mr. Paice:** I am grateful to my hon. Friend for that. As I pointed out earlier, the director of the institute said that he is funded to run a Ford Cortina, when in fact, he is trying to run a Rolls-Royce service. That entirely sums up and fits with what my hon. Friend has just said.

*[Mr. Paice]*

So far, I have addressed the causes of this outbreak; let me turn now to the handling of it. The initial decisions were right, but there have been a number of problems in the detail. There was a desperate lack of communication. Farmers near the initial outbreak were wondering what was happening for days and days before they were contacted.

**Mr. Tim Boswell** (Daventry) (Con): Does my hon. Friend agree that one problem that DEFRA has, and which Whitehall has more generally, is assuming that everybody is connected to the internet? We may have to be, but a lot of my farming friends are not and are simply left in the dark.

**Mr. Paice:** My next sentence was going to be, and will be, that DEFRA appeared to assume that every farmer spent their whole time studying the internet; I have obviously known my hon. Friend too long, or he has known me too long.

There was also confusion about footpath closures: whether to close them, and whether or not they were closed. There was no contingency plan to deal with casualty and dead animals at the hottest time of the year. Later, during the second cluster, we heard of different policies in different places: cattle killed on one farm, but not the sheep; goats being missed between adjoining slaughtered flocks; and, worst of all, the shooting of cattle from helicopters because they had broken out of a pen in the evening.

That raises the issue of why the country was declared free of foot and mouth only for further outbreaks to occur just days later. Last week, the Secretary of State said that infected premises 5 had had the disease for

"three or possibly four weeks".—[*Official Report*, 8 October 2007; Vol. 464, c. 48.]

However, he said that he was not pointing the finger at anyone. Is that because of statements by the owner of premises 5 that DEFRA inspectors had been on the farm and missed the disease? Is it because by 20 September it was clear that this was linked to outbreak 1 and that it should have been followed up, but was not?

The Secretary of State cannot say that DEFRA emerges with credit from the handling of this outbreak. There is no getting away from the fact that it was handled better than last time, but it would have taken a superhuman effort to have done worse. The Prime Minister says that the public will judge him on what he did on foot and mouth disease. He is right that he will be judged, but it will not happen in the way that he imagines.

**Mrs. Theresa May** (Maidenhead) (Con): My hon. Friend has been generous in taking interventions. On Saturday, I had a meeting with farmers in east Berkshire who have been affected by foot and mouth, some of whom have had their cattle slaughtered. My hon. Friend the Member for Windsor (Adam Afriyie) has also met them. In addition to the issues of lack of communication and lack of consistency, they raised a biosecurity issue to do with DEFRA's Pirbright establishment: that topsoil was being removed from around the broken drain, which was the source of the first outbreak, but DEFRA apparently has no records of where that topsoil was taken.

**Mr. Paice:** As my right hon. Friend knows, I am aware of that meeting and those allegations. Many more exist, and I suspect that other colleagues will make them during this debate. To be fair, the Secretary of State has set up the Anderson committee to examine the matter. It is essential that all those issues are considered by that Committee, and that Dr. Anderson is rightly given the information to make a proper examination to see whether there was even more incompetence than we imagined.

**Mr. Eric Martlew** (Carlisle) (Lab): I have two questions for the hon. Gentleman. Would the Opposition have vaccinated in this situation? Why is the handling of bluetongue mentioned in the motion, because the Government have done nothing wrong in that instance?

**Mr. Paice:** I am coming to bluetongue. On vaccination, we would have taken more notice of the scientist who told us that the pipes were damaged in the first place. We have made it clear that in the circumstances that have arisen, we would not have vaccinated, but that option would have been in the locker had the disease got further out of control.

Even though the export ban has been lifted, at least notionally, and markets and movements have resumed in much of the country, the crisis in British farming is horrendous. The Secretary of State has said that returning to normal is the best solution—nobody would dissent from that—but does he believe that that is what has happened? Merely switching on exports or movement does not solve the problem. The market overhang from weeks of movement restrictions is dire. Millions of animals should have gone by now—hundreds of thousands of sheep in our hills that are eating precious forage reserved for the winter, cull ewes, light lambs and fat pigs—and all that means a calamitous fall in prices. With no live exports, bull calves are again being shot at birth. Lamb prices are up to 50 per cent. lower and those of finished pigs are also well down, while massive rises in the price of feed are having to be contended with.

I point out to the Secretary of State that the bulk of the UK pig industry is within the zone that cannot yet export. Probably 40,000 cull sows are now on farms. They are blocking up pens, costing money and are effectively worthless. Even if they could be exported, it would take many weeks to clear the backlog. The welfare disposal scheme via the fallen stock scheme that he announced last week, should be extended to cover sows within the whole zone from which exports are banned. That could be done, and I suggest using £1 million of the £2 million that he has allocated for promoting meat consumption. Important as that is, it is no use promoting something that is wasting away.

**Mr. Heath:** On pigs, has the hon. Gentleman noticed something that was brought to my attention by a small farmer from Muchelney in my constituency: the limited movement orders for pigs were available only to those producers who were in established pyramid schemes? That means that small farmers, who perhaps bought from weaner stocks in order to fatten and sell on their premises, were not able to move their pigs. Why should there be that distinction between small producers and large producers?

**Mr. Paice:** As the hon. Gentleman probably realises, I am not in a position to give the answer to that question. I suspect that it might have something to do with traceability. I hope that the Secretary of State will tell us about that.

Will the Secretary of State also tell us what discussions he is having about relaxing the export controls? The huge area of the country from which exports are banned includes the abattoir that slaughters 70 per cent. of cull sows in this country. What is he doing about the 21-day rule? It is tying up farms, which, at this time of the year, are selling finished stock and normally buying new stock. That measure is in addition to the separate 20-day rule about general movements.

Will the Secretary of State speak to the Commission about one other aspect of foot and mouth control? Will he draw the contrast between the strict rules that it has imposed in this regard and its far more lackadaisical attitude to imports from Brazil? Both measures are designed to prevent the spread of foot and mouth, yet, despite a damning report from the Irish Farmers Association about the lack of traceability, the lack of vaccines and the non-use of ear tags, the Commission equivocates about Brazilian imports. In short, the regime, be it for Britain or Brazil, should be equally tough against foot and mouth.

**Paddy Tipping** (Sherwood) (Lab): I always listen carefully to the hon. Gentleman, because he commands great respect in the House on farming issues. He has talked about the Government paying the price and about the compensation that they have announced. In fairness, he has suggested that it should be used in alternative ways. Is he suggesting that there should be a greater compensation scheme, and, if so, to what amount and paid to whom?

**Mr. Paice:** If the hon. Gentleman holds fire, I shall come to that.

I turn to bluetongue, which hit us in September. Again, the initial actions taken were correct, but it rapidly became obvious that the consequences were going to be horrendous. We were told that stock could be moved to slaughter in the control and protection zones, yet nobody in DEFRA seemed to have realised that there were not enough slaughter places to slaughter the stock. I was told by a senior civil servant, in front of Lord Rooker, that licences would not be issued to allow stock from the control zone to go to the abattoirs because of European rules, yet that is now what is happening. Countless pedigree stock—cattle and sheep for which this is the peak sale time—cannot be moved, yet in France, a combination of an insecticidal regime and blood testing is being used to allow that to happen.

I know that bluetongue is a changing picture and that as new cases occur, problems of movement controls perversely become less of an issue. Bluetongue could be even more devastating economically to our livestock industry than foot and mouth. That is why vaccines are so crucial. Will the Secretary of State tell us what discussions he has had with the developers of vaccines about future supplies? Why has Merial been stopped from further development, despite the drains at Pirbright having been repaired? If he is to have any chance of preventing the spread of bluetongue across central and southern England and Wales next summer, he must ensure that enough vaccine doses are available as soon as possible. If stock is not protected before next year's midge season, there is no chance of containing this disease.

Finally, let me turn to the issue of support for the industry. Last week, the Secretary of State announced a 30 per cent. supplement for the hill farm allowance. We had already said the previous week that we would have made it 50 per cent., but the gesture is right. He spent £4 million on other measures. He then announced, as if to a fanfare, the lifting of regulatory burdens. He wanted to increase the public procurement of British meat. We agree, but by my reckoning he is at least the fourth Secretary of State to say so and still only 3 per cent. of the lamb sold to our armed forces is British.

The Secretary of State announced a four-month delay in the requirement for hauliers to have a certificate of competence. It is a ludicrous requirement anyway and should be abolished. He announced a derogation for the amount of nitrogen to be spread on nitrate-vulnerable zones, but the crisis is now and no amount of nitrogen will make grass grow in the winter.

Finally—and I can hardly believe this one—the Secretary of State announced a one-month extension to a consultation. I can hear the sighs of relief as the red tape burden is lifted from farmers' shoulders—I think not. That last cynical point is at the heart of the matter. For all its sins, the old Ministry of Agriculture knew that its role was to support and promote British farming. DEFRA's role is to control and regulate. There is no natural empathy with or understanding of the farming industry, and no knowledge of the structures of the industry that realises that a restriction here has a knock-on consequence there. Where are the men and women who understood those things and who realised that animals keep growing; that grass is finite; and that if one cannot export pig shoulders, the price of the whole pig collapses?

Most importantly, where are the people who know that disease will wait for no man? It will not wait for a committee. It will not wait for the resolution of a turf war. Four years was too long to fix a drain. How many more times must this once proud and valued industry be ripped apart by an incompetent Government?

2.1 pm

**The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn):** I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"expresses great sympathy with farmers and the farming industry and acknowledges the difficulties they are facing as a result of the outbreaks of foot and mouth disease and bluetongue; recognises the work that has already been done by the Department for the Environment, Food and Rural Affairs, Animal Health, farmers and their representative bodies and others in containing foot and mouth; agrees that the priority for the Government must be to work with the farming industry and others to support the resumption of market activity as quickly as possible; and notes the steps the Government has taken to deal with what happened at the Pirbright laboratory site."

I welcome this opportunity for the House to debate foot and mouth and bluetongue, further to the statement that I made on Monday last week. I recognise the very

*[Hilary Benn]*

real interest and concern on the part of many right hon. and hon. Members. We know that this could not have happened at a worse time of the year for the livestock industry. All livestock farmers have been affected and for many, things are very hard. I have met farmers and their representatives and they have left me in no doubt about the difficulties that the industry is facing. That is why, in responding to what the hon. Member for South-East Cambridgeshire (Mr. Paice) said, I want to set out before the House the action that we have taken to try to deal with the two outbreaks and to assist the farmers who have been so badly affected.

**Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy) (PC): Why is it that the Secretary of State's speech on Friday 5 October contained details of compensation for Scotland and Wales, but on the following Monday there was no mention of compensation for anyone other than English farmers?

**Hilary Benn:** Well, I heard someone mutter the words "the election", but I take this opportunity to put it on the record in the House, as I have outside, that there is not a shred of truth in the allegation that any possible election had anything to do with any decisions relating to funding for foot and mouth. Colleagues have discussions and options are considered, and in the end the Government decided as I told the House in my statement on 8 October. I will return to that issue if the hon. Gentleman will bear with me.

I wish to begin by addressing the comments that have been made about the Pirbright site, because that is where the foot and mouth outbreak began. As I have said before, it should not have happened, I am sorry about the great effect that it has had, and I am determined that it does not happen again.

Following the initial confirmed case on 3 August, it became apparent—

**Mr. Peter Ainsworth** (East Surrey) (Con): Before the Secretary of State moves on to the causes, could he return to the issue raised by my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) on the response to my question about the drains after the statement last week? The Secretary of State said that

"nobody thought that they were in such a condition. That happens to be the truth."—[Official Report, 8 October 2007; Vol. 464, c. 44.]

I am struggling with that definition of the truth. We know that Merial wrote to DEFRA about the drains in 2004. We know that the then Department of Trade and Industry had commissioned tenders to repair the drains a year before. How can the Secretary of State honestly maintain that the truth is that nobody knew?

**Hilary Benn:** I will respond directly to that point, if the hon. Gentleman will bear with me.

It became apparent the day after 3 August that the Pirbright site was the potential source of the outbreak because of the type of virus identified—01-BFS-67. That is why we commissioned the Health and Safety Executive and Professor Spratt to lead a team of experts in reviewing biosecurity. We also took steps as the regulator to require the Institute for Animal Health and Merial to take action as concerns were raised with us by the HSE during the course of its inspection, including remedial action on the drainage system. I published both of those reports on 7 September.

However, as the HSE report, the Spratt report and the DEFRA epidemiology reports made clear, we may never be absolutely certain as to exactly how the foot and mouth virus escaped from the Pirbright site. But the drains, the flooding and the construction work—ironically, there was construction work on the site precisely because the Government are investing a considerable amount of money in improving the facilities at Pirbright—do seem to be the most probable chain of events, and I have been clear on that from the beginning.

**Mr. Ainsworth:** The Secretary of State is a decent man, but I fear that he is avoiding answering the question that I asked—

**Hilary Benn:** I haven't got to it yet.

**Mr. Ainsworth:** In that case, when he answers he might like also to deal with the point that DEFRA inspected the site in November 2003, August 2004, September 2005 and December 2006, after the work on the drains had been commissioned, and found—according to the Minister involved—no major biosecurity issues. What does that say about the competence of DEFRA's inspections?

**Hilary Benn:** In the Government's response to all of these reports, I accepted the recommendations that were made. They are being implemented and an improvement is planned. Since 7 September, the HSE and DEFRA have carried out further joint inspections. All of the essential work will need to be completed before IAH and Merial can resume full operations.

I shall return to the issue of bluetongue and a potential vaccine from Merial a little later.

We are now requiring of Merial that all the virus that it produces should be inactivated before it reaches even the first part of the drainage system. That will require a heat treatment facility and it needs to put that in place—*[Interruption.]* Well, that is a factual description of what is happening in response to the question about when Merial will be in a position to resume work to try to find a virus to deal with bluetongue. We need to be satisfied that that has been done before it can resume its full operations.

I shall deal directly with the charge by the hon. Member for East Surrey (Mr. Ainsworth) that warnings about conditions at the facility had been ignored. The first point that I want to make is that the IAH has been inspected, as part of its Specified Animal Pathogens Order—SAPO—licence, on a regular basis under the arrangements that were set up in the early 1990s. The institute was required to take action as a result of those inspections and submit reports on progress. However, at no point was it the view of the inspectors that the IAH was unsafe in its operations.

On the issue of the drains, DEFRA—as the regulator—was indeed consulted about plans for their replacement, but we were not aware that they were

leaking. That is a very important point. Nor, to the best of my knowledge, was anyone else. No scientist who I know of has said that the drains were damaged. If the hon. Gentleman can draw my attention to any scientist who did say that, I would be very interested, because that is what he claimed. As soon as we became aware of the damage—in August, as a result of the HSE's work—action was taken.

It is not the case that live virus was released into the public drainage system, as the hon. Member for South-East Cambridgeshire suggested in his remarks. There is no evidence of that at all. So that the House understands, let me say that the Pirbright site has a two-stage process to ensure that all virus is completely inactivated before it goes into the public drainage system. The IAH and Merial had their own separate arrangements, which then fed into a shared pipe, and a second-stage belt-and-braces treatment process took place to deal with any effluent before it went into the public drainage system.

Why had a discussion taken place about the replacement of the drains? It had occurred because they were old, and because of concern about their capacity and about surface water potentially coming into the system, but not because of concern that the drains were leaking. As Professor Spratt makes clear in his report, safety depends not on the age of the facility but on the procedures carried out.

As regulator, DEFRA was consulted about the specification for the replacement of the drains; we were not asked for funding to replace the drains, and nor would we have been. As I said to the House last week, one would not ask the regulator for money to improve or replace one's facilities, any more than a factory that was inspected and found not to be up to scratch would ask the HSE to give it some money to improve its facilities.

The Government accepted the findings of the reports of Professor Gull in 2002 and Dr. Cawthorne in 2003 about the need to upgrade the facilities at Pirbright. Following the development of a costed proposal, the Government decided in 2005 to invest £121 million in new facilities at Pirbright, which, it should be acknowledged, is fundamentally important to our fight against animal diseases throughout the United Kingdom—in England, Scotland, Wales and Northern Ireland. Of that money, £31 million has already been spent on the site. With respect, therefore, nobody can credibly argue that a lack of funding to be spent in Pirbright was the problem.

Had the drains been thought to be the overwhelming priority for action on the site, no doubt some of that £31 million would have been used to replace them, but that was not the case. I accept that that raises a question about prioritisation: if people felt that that was the priority, why was that not a factor in decisions about the £31 million expenditure? I agree that the issue needs to be examined. That is the reason why the second review that I have set up—I shall come to the other one in a moment—which the Biotechnology and Biological Sciences Research Council will carry out into IAH, will look at funding, governance and risk management.

**Daniel Kawczynski:** The Secretary of State is putting a robust case, but is he telling the House that there will be no resignations at all in his Department as a result of this fiasco, which could have cost our country billions of pounds? *[Interruption.]* It is a shame that the hon. Member for Stroud (Mr. Drew) is shouting across the Chamber. This has been a disaster for our country, and the Opposition expect some resignations over the matter.

**Hilary Benn:** I hear what the hon. Gentleman says. There have been no resignations, and there will be none. I will tell him who takes responsibility: I take responsibility. As the hon. Member for South-East Cambridgeshire said, I happen to be the current Secretary of State. As I have done throughout, I am trying to set out for the House the steps that I have taken, accepting that responsibility, to put right what has gone wrong. I am sure that the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski), who is a reasonable man, will accept that the whole system of regulation for protecting against risk—whatever we are discussing—has evolved over time, and that one of the most important factors in determining how systems are changed and improved is learning from mistakes. Things did not go right, and I am determined that we learn from the mistake.

**Mr. Drew:** Unfortunately, some of us have acquired a lot of expertise in drains over the past couple of months. Following the episodes in the summer, does my right hon. Friend agree that we need to consider new arrangements at a range of different sites, including establishments such as Berkeley in my constituency—a former nuclear station—given the likely threat of floods hitting us again in future? Will he assure me that not only biosecurity but structural measures will be increased to ensure that such episodes do not threaten us time after time?

**Hilary Benn:** I am happy to give my hon. Friend that assurance. In accepting the recommendations of the HSE and Spratt reports, we have issued an advice note to all the institutions handling both animal and human category 3 and 4 pathogens, which will be followed up by a series of inspections. In relation to flooding, a lessons-learned review is being undertaken by Sir Michael Pitt. When such things happen, what do most people want? I accept that some people want a head on a stick, but the most useful and important response is to learn the lessons, make sure that there is not a recurrence and put a better system in place. I am determined to do that.

**Angela Browning** (Tiverton and Honiton) (Con): In the light of the Secretary of State's comments, will he take a serious look at the arrangements in this country for meat composting, which open up a risk of not only foot and mouth but swine fever, avian flu and a range of diseases? Will he consider in particular the fact that the process is allowed on livestock premises, because farmers in my constituency are asking that it be confined only to industrial premises?

**Hilary Benn:** I am happy to consider the issue raised by the hon. Lady. If I may, I shall respond directly to her, if that would be helpful.

**David Maclean** (Penrith and The Border) (Con): The right hon. Gentleman is an honourable and decent man and comes to the problem with fresh hands as a new

*[David Maclean]*

Secretary of State. Hypothetically, if he had been Secretary of State presiding over such matters for the past five years, would he have resigned?

**Hilary Benn:** I am grateful to the right hon. Gentleman for putting that hypothetical question to me. All that I can say is that I was otherwise engaged during those five years, as I am now engaged in the task that has fallen to me. I shall exercise my responsibilities to the best of my ability.

**Several hon. Members** *rose—*

**Hilary Benn:** I shall give way to the hon. Member for Clwyd, West (Mr. Jones) and then to the hon. Member for South-East Cambridgeshire, and then I would like to make progress, as I know that many Members wish to speak.

**Mr. David Jones** (Clwyd, West) (Con): The Secretary of State has dealt at length with the question of the degree of knowledge or otherwise of those managing and regulating the Pirbright establishment of the defects in the drains. But does he not accept that, irrespective of the degree of knowledge, those who manage and regulate any establishment that is built to contain, and does contain, a substance that is inherently dangerous—and that will cause great damage if it is allowed to escape into the environment—must per se be liable for whatever damage is caused?

**Hilary Benn:** I agree with the hon. Gentleman that those who regulate and license, and those who have the responsibility, in this case the IAH, of ensuring that the terms of the licence are adhered to—that is an important distinction, and together those provide the appropriate safeguard—have a responsibility. But I have seen no evidence that anybody acted negligently, and that is why I responded to the hon. Member for South-East Cambridgeshire as I did previously. It is clear, however, that things did not go right, and that is why we have taken steps to put them right. I shall deal with another part of that action in a moment.

**Mr. Paice:** The Secretary of State has repeatedly said that, despite what I have stated, there is no evidence that DEFRA knew that the drains were in such a bad state of repair. Contrary to what he said, I am sure that I did not use the word "damaged", and never meant to suggest that—*[Interruption.]* Actually, if one reads the full Spratt report, the drains were damaged by tree roots. But given that the Spratt and HSE reports both indicate the dire state of those drains and prior flooding incidents, does not the Secretary of State find it odd, as an objective and sensible man, that at no stage during all the exchanges of correspondence—taking into account Spratt's comment that the drains did not look as if they had been thoroughly inspected—did anybody in DEFRA ask what the drains were like, why there was a desire to replace them, whether it was urgent, whether it should be done quickly or why an inspector had not opened a manhole and stuck his head down? It defies belief that that could have gone on without anyone asking those fundamental questions.

**Hilary Benn:** We will both be able to check *Hansard* to find out whether the hon. Gentleman used the word "damage". However, the point is important because the description of what went on that I am putting before the House rests importantly on the fact that, because of the combination of events that had taken place, nobody knew that the drains were in the condition that it turned out they were in by the time the HSE investigated them in April. *[Interruption.]* The letter from 2004 was about replacing the drains because people recognised that they were old. However, the hon. Gentleman and his colleagues will not find in that correspondence people saying, "And by the way, we think the drains are leaking."

The hon. Gentleman raises a fair point, which I want to come to, about the nature of the inspection regime. I grant him his point about what kind of inspection of category 3 and 4 containment systems should take place. The steps that we have now taken, and the requirement that we are putting on Merial to ensure that all the virus that it puts into the system is inactivated before it gets to that bit of now-lined drainage, raise the question of what the arrangements for inspecting category 3 and 4 pathogen handling laboratories should be.

For that reason, there is an issue about the respective roles of the regulator, the funder and the customer; Professor Spratt made a recommendation on that. That is why on 7 September I announced that Sir Bill Callaghan was to carry out a review of the regulatory framework governing the handling of category 3 and category 4 animal pathogens. He has now started, and he will report before the end of the year.

DEFRA is both the regulator for the 1998 order and a customer for the important services, including diagnostics and research on foot and mouth and bluetongue, provided by the Institute for Animal Health at Pirbright. As I have already said, with hindsight my view is that that arrangement is not satisfactory. The Callaghan review will consider what the right arrangement to replace it should be. That is another instance of the Government's determination to learn from what has happened.

**Mr. Bernard Jenkin** (North Essex) (Con) *rose—*

**Hilary Benn:** I shall give way, but then I shall make some further progress.

**Mr. Jenkin:** I feel that I must take the Secretary of State back. The House is entitled to an answer to the question of whose responsibility it was to know the condition of those drains. In all honesty, it is not good enough for the House to be effectively told that it was an accident and that nobody was responsible for knowing their condition.

**Hilary Benn:** Under the 1998 order, the responsibility is for the licensor and regulator to specify the outcome that has to be met; that is the purpose of licensing and regulation. It is the responsibility of the licence holder to ensure that those requirements are met.

All the people involved in the work—and the people at the IAH and the inspectors who work for DEFRA are conscious and dutiful—did what they thought was right in the circumstances. Nobody thought, and this is

the point, that the drains were leaking in that way. There was a confluence of events—a not-completely-inactivated virus coming into the system, heavy rainfall, a rising water table, a bringing to the surface and traffic because of the building work. The HSE review and the Spratt report say that that is the most credible explanation. The point that I am making to the hon. Member for North Essex (Mr. Jenkin) is that we learn from such experiences. It is fair to ask whether we should have a system in which pipework that is part of a critical system gets inspected. I accept that point.

I turn to the handling of the outbreak. I thank the hon. Member for South-East Cambridgeshire for his comments on the swift and effective action that DEFRA, the animal health authorities and partners in the industry have taken in trying to control the problem. Our contingency plan recognised the lessons of 2001. I hope that the House will feel that how we have responded to the outbreak this time around shows how we have applied that knowledge. Our priority, of course, has been to contain and then eradicate foot and mouth. That is why the national movement ban was brought in straight away on the evening of 3 August, a decision also taken at the same time by the devolved Administrations. We have carried out extensive surveillance, which, in the second phase of the outbreak, has gone beyond the European requirements by inspecting and testing animals. We are now 75 days into this outbreak. We have had only eight cases, all in Surrey. We want to keep it that way so that we can control and eradicate the disease.

**Mrs. May:** It may seem a small point, but the Government have consistently said that the second outbreak has been only in Surrey. That is not the case. Farmers in Berkshire have also had foot and mouth outbreaks and cattle stock there has been culled as a result. Will the Government please say "Surrey and Berkshire"?

**Hilary Benn:** I am duly chided by the right hon. Lady.

**Mr. Douglas Hogg** (Sleaford and North Hykeham) (Con): The Secretary of State has been extremely generous in giving way.

One matter is troubling me. He says that the institute is not liable for the costs of the damage because nobody was negligent. However, as I understand it, the general proposition is that if a landowner has potentially dangerous material on site and it escapes, the landowner is responsible for the consequences. One obvious example of that is in respect of domestic animals. The Secretary of State knows well that if a horse escapes from a site, the relevant landowner will be responsible even in the absence of negligence. Indeed, the Secretary of State's own Department is considering changing the law to address that point. I do not understand how liability can be avoided, given that the virus escaped from a Government institution.

**Hilary Benn:** I said that I had seen no evidence of negligence, but I did not advance an argument about what liabilities might arise from what has happened. I am not a lawyer; others are much better qualified to follow the right hon. and learned Gentleman's argument and take a decision about whether they want to use that remedy.

**Mr. Ian Davidson** (Glasgow, South-West) (Lab/Co-op) *rose—*

**Hilary Benn:** No; I shall make progress now, as I have been generous in giving way.

I shall come to bluetongue in a moment. On vaccination for foot and mouth disease, in both phases of the outbreak we had organised and were ready to vaccinate if necessary. In the event, we decided that it was not—a view shared by the chief veterinary officer and independent scientific advice. We have worked with colleagues in the devolved Administrations to take decisions about disease control, when possible on a co-ordinated basis. After all, the industry is inter-dependent in its activities in different parts of Great Britain, although we recognise that animal health is a devolved matter. We have worked with representatives of the industry to circulate information about the controls, through information packs, text message alerts and information on the DEFRA website. I acknowledge that not all farmers have access to the internet, but a lot of effort has been put into getting information to farmers. We have worked with the National Farmers Union to do so, and to try to identify and reduce the very real economic and welfare pressures faced by farmers. That is why we have taken a risk-based approach to lifting movement restrictions.

Clearly, the emergence of the third case on 12 September—more than a month and a bit after the previous reported case—made things much more difficult. We now know that that was the result of unreported infection in one premises. *[Interruption.]* Yes, they were visited, but as the hon. Member for South-East Cambridgeshire will know because of his expert knowledge, it is difficult to detect old disease. It was picked up because of blood sampling of sheep, and that reinforces the point that farmers are the first line of defence in defeating the disease.

As a result of the case, controls had to be reimposed. Farm-to-farm movement resumed on 23 September. Markets reopened at the beginning of this month, and last Friday meat product exports from Scotland, Wales and the low-risk area of England were able to resume. That is an important step forward. We are also working with the European Commission to try to decrease the restrictions on exports, and to increase the areas of the country from which exports can be made. The next meeting of the Standing Committee on the Food Chain and Animal Health will be on Friday.

The 20-day rule relates to domestic controls on animal standstills. As of today, that is now six days for areas outside the FMD risk area. The 21-day rule is an EU export rule, and means that animals cannot be moved on to a premises in the preceding 21 days. To change that, we would need to persuade Europe to do things differently.

**Mr. Simon Burns** (West Chelmsford) (Con): Will the Secretary of State give way?

**Mr. Angus MacNeil** (Na h-Eileanan an Iar) (SNP): Will the Secretary of State give way?

**Hilary Benn:** I will give way to both hon. Members.

**Mr. Burns:** I am grateful to the right hon. Gentleman for giving way. Bluetongue was discovered in my constituency on Monday, and I am very grateful to members of his Department for the way that they notified me of that and for their subsequent handling of my queries about the matter. In respect of controls for FMD and bluetongue, is the Secretary of State prepared to look again at how his Department is sorting out boundaries, given the knock-on effects for other farmers in the areas concerned?

**Hilary Benn:** I am indeed. The hon. Gentleman raises an important point and I shall respond directly to it when I turn to dealing with bluetongue, which I am anxious to do in a moment.

**Mr. MacNeil:** The Secretary of State has said that FMD has not escaped beyond the confines of Surrey and Berkshire, but the UK is divided into two epidemiological zones—Great Britain, and Northern Ireland. Given the pattern of the spread of the disease this time, does he think that other epidemiological zones should be established within Great Britain? That is the arrangement in the continent of Europe's land mass.

**Hilary Benn:** There is always a case for using the light of experience to reconsider whether decisions about such zones should be changed. In this outbreak, we have created areas of high and low risk, with the result that we have helped to pave the way to persuading the EU to allow a resumption of meat product exports. I have listened to many representations on this matter, and my judgment was that that was one of the most important things that could be done to assist the industry at this very difficult time.

As of today, the removal of all restrictions outside the FMD risk area means that animal movements can take place freely. That coincides with the protection zone being folded into the surveillance zone, it being 15 days since the completion of preliminary cleansing and disinfection on the last infected premises. The size of the FMD risk area remains under review.

I recognise that serious difficulties remain for the farming and food industries. In my statement last Monday, I set out the details of what we are doing to assist farmers in England. The Scottish Executive and the Welsh Assembly are introducing their own welfare disposal schemes under the devolved arrangements—

**Several hon. Members** *rose—*

**Hilary Benn:** I think that I can anticipate some of the questions that certain hon. Members want to ask. We are covering the cost of that assistance from our own budgets, although we do not yet know what the full cost will be. As I said last week, it is open to the devolved Administrations to approach the Treasury if they wish to do so. However, the best help that we can give is to help the industry to recover.

**Mr. Alan Beith** (Berwick-upon-Tweed) (LD): Does the Secretary of State realise that hill farmers in Northumberland have not yet received any welfare payments, even though they see that a welfare slaughter scheme is in operation for farmers on the Scottish side of the hill? For farmers on the English side, however, not even the payments to which he has referred have come through.

**Hilary Benn:** I accept that and, as I said to the House last week, we will seek to make payments to those in receipt of hill farm allowance as quickly as possible.

**Mr. Llwyd:** The Secretary of State has been in discussions with the farming Minister in Wales, but his suggestion that the devolved Administrations need only approach the Treasury is not very helpful. He could sanction the £6.5 million promised in the first statement, and he should do so now.

**Hilary Benn:** I hear what the hon. Gentleman says, but my Department, the Welsh Assembly and the Scottish Executive each fund the schemes to support farmers in our respective areas at this difficult time. We are using our existing budgets to meet the costs thus incurred but, as I told the House last week, it is open for each of us to open discussions with the Treasury if we feel that we cannot manage with what we have. That is the sensible place to turn to first.

**Mr. Alistair Carmichael** (Orkney and Shetland) (LD): May I place on record my gratitude to the Secretary of State for making time available last night to meet me and other Scottish colleagues, as well representatives of NFU Scotland? He will recall that it was put to him that the Treasury had funded the animal welfare and economic loss compensation schemes for farmers in Scotland and other parts of the UK in 2001, and that he was asked why the arrangements should be different this time. Will he allow the House to have the benefit of knowing the Government's opinion and tell us what is the difference between now and 2001?

**Hilary Benn:** It is true that the Treasury reserve met the costs in 2001, because the sheer scale of the outbreak and the costs incurred meant that no other budget—that is, of the former Ministry of Agriculture, Fisheries and Food or of the devolved Administrations—could possibly have coped with paying for the measures that it was decided needed to put in place at that time. That is the fundamental difference.

**Mr. Alan Reid** (Argyll and Bute) (LD): I draw the Secretary of State's attention to the concordat between the Ministry of Agriculture, Fisheries and Food and the Scottish Executive in respect of the state veterinary service and animal disease compensation. Paragraph 4 states:

"Compensation payments for notifiable diseases will be made by MAFF".

MAFF, of course, is now DEFRA, but the concordat makes it clear that the obligation to pay compensation lies with the UK Government. Why, then, are the UK Government not paying the animal disease compensation as they did in 2001?

**Hilary Benn:** Under the concordat, DEFRA has agreed to fund compulsory slaughter for disease control purposes. That applies to most diseases, including FMD, but the concordat does not cover meeting the costs of welfare disposal or economic support schemes.

**Mark Williams** (Ceredigion) (LD): The Secretary of State will know that the Welsh Assembly does not have the contingency funds to deliver the meaningful welfare scheme that many of us want. Is he aware of any discussions that have taken place between the Welsh Assembly and the Treasury? In addition, we still need an answer to the question from the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd): what happened, between draft and delivery, to the £6.5 million promised by the right hon. Gentleman in his statement last week?

**Hilary Benn:** I have answered the second question already. Drafts are prepared, options are looked at, colleagues have discussions, and I do not propose to get into a conversation about that—*[Interruption.]* The central charge that has been made—

**Mr. Llwyd:** Not by me!

**Hilary Benn:** The hon. Gentleman should not be so sensitive, as I was referring to the Liberal Democrat Benches in general and not directly at him. I was about to say that there is not a shred of truth to the central charge that has been made. As for the first point made by the hon. Member for Ceredigion (Mark Williams), I am not aware of any specific discussions that Elin Jones may have had, but no doubt she will enlighten us.

**Paddy Tipping:** In his remarks at the start of the debate, the hon. Member for South-East Cambridgeshire (Mr. Paice) was, at best, rather dismissive of the £12.5 million package and the other measures that have been put in place. He implied that the Opposition would offer more in the way of compensation, but he was silent when I asked him directly who they intended would pay for it, and how much would be involved. In the longer term, does my right hon. Friend accept that we must move to a risk-based sharing of such costs, and look at insurance as a way of going forward?

**Hilary Benn:** In the end, it is about making choices and trying to give help in the most effective way. I listened to the representations made to me by the industry in England when I announced the package last week. I shall respond directly to the very good point made by my hon. Friend when I reach the end of my speech. I am very anxious to do that, as I have been very generous about giving way.

**Mr. Davidson:** Will the Secretary of State give way?

**Hilary Benn:** No, I have been generous in giving way and I want to turn to bluetongue. As the House recognises—[Hon. Members: "Give way."]. As I am being encouraged to do so from the Opposition Benches I give way to my hon. Friend the Member for Glasgow, South-West (Mr. Davidson).

**Mr. Davidson:** I am very grateful indeed to the Secretary of State. When I and a number of other Members met representatives of the National Farmers Union Scotland this morning, we had to ask more than 20 times before they eventually confessed that they have not actually asked the Scottish Executive for any money. In those circumstances, is not it either astonishingly naive or deliberately mischievous for some Opposition Members to say that it is all Westminster's responsibility when in fact the Scottish Executive have recently been given more than £1 billion of unspent money from previous years?

**Hilary Benn:** It is the responsibility of all of us. From the Scottish Executive's budget this year of about £26 billion, there are choices to be made about how the money is spent. I asked the same question last night when I met the delegation that included the hon. Member for Orkney and Shetland (Mr. Carmichael). No doubt the delegation will put the same points to the Scottish Executive as they put to me.

**Mr. Carmichael** *rose—*

**Hon. Members:** Give Way.

**Hilary Benn:** No. I shall now conclude my remarks as many Members want to speak.

**Mr. Carmichael:** Frit.

**Hilary Benn:** Anything but.

**Mr. Carmichael** *rose—*

**Madam Deputy Speaker (Sylvia Heal):** Order.

**Hilary Benn:** I have been generous in giving way, including to the hon. Member for Orkney and Shetland.

The whole industry, the veterinary profession and farmers had been anticipating that bluetongue would arrive at some point. We know that, which is why we had a bluetongue strategy drawn up, why there was a lot of coverage in the media, why it was part of the DEFRA livestock market roadshow and why Opposition Front-Bench Members were briefed in July. It seems that the wind carried midges over from Europe and the first case was detected on 22 September.

I realise that many Members have great concerns about the disease. The impact of bluetongue is considerable, as we have seen in northern Europe. That is exactly why we worked with industry leaders to identify the most appropriate boundaries and disease control measures when the disease was confirmed on 28 September. Bluetongue is a very different disease from foot and mouth; it is spread by midges and not by livestock, and rapid action will not mean rapid eradication, nor will culling animals. It presents a serious, long-term challenge, so it is vital that we work with the industry to decide what is best to do, which is reflected in the revised disease control strategy that we developed and published in August.

**Mr. John Whittingdale** (Maldon and East Chelmsford) (Con): On a positive note, I can tell the Secretary of State that the farmer in my constituency who suffered from a bluetongue outbreak told me on Sunday that his cattle are recovering well. That illustrates the different nature of the disease. However, does the Secretary of State accept that the movement controls put in place to deal with bluetongue have equally as damaging an effect on the industry as the

*[Mr. John Whittingdale]*

movement controls relating to foot and mouth disease? When might farmers expect some lifting of the movement controls relating to bluetongue?

**Hilary Benn:** I am coming to that point directly. Before doing so, I have to inform the House that as a result of reporting by two farmers in Peterborough and Ashford, Kent, following tests, we are today confirming two new cases of bluetongue in those locations. As a result, two new control zones are being introduced and the protection zone is being extended. Details will be available on the DEFRA website later today.

**Damian Green** (Ashford) (Con) *rose—*

**Hilary Benn:** I know that the hon. Gentleman is affected. I give way.

**Damian Green:** I am grateful to the Secretary of State for the advance notice his office gave me of that distressing news not just for livestock farmers in my constituency but for the many farmers throughout Kent, Sussex and the wider south-east who use Ashford market. I hope that in the remainder of his speech the Secretary of State can give some certainty about time scales—how long the effects and the movement restrictions are likely to last. If possible, can he offer some practical reassurance to the many, many farmers who will be newly affected by this terrible outbreak?

**Hilary Benn:** I shall certainly try to do so and I shall come to that point in a moment.

**Mr. Jenkin:** I echo the thanks of my hon. Friends who have been so well supported by the Secretary of State's Department during the outbreak. Another case was confirmed in my constituency only this week.

Is not the answer—to which the industry does not seem to be averse—to extend the bluetongue zone substantially so that there can be movement to slaughterhouses and movement of fattening stock across the country to enable the industry to survive? Bluetongue is not a crippling disease, like foot and mouth; it is a disease that we will have to accept and deal with, eventually by vaccination.

**Hilary Benn:** I accept the point the hon. Gentleman makes. We have talked carefully to the industry and the consensus at present is that we need to try to contain the disease in the east of England if possible and then plan for what we need to do over the coming months. We all hope for a cold winter, although nobody can promise one. But the issue is at what point we should face up to the question the hon. Gentleman puts—declaring the whole of England a bluetongue control zone and accepting that we have to live with the disease. As I told the House last week, this is a real dilemma for the industry, because it, above all, has the greatest interest in making the right decision. That is why we shall be holding further discussions with the industry group in light of today's development. As soon as we can make the arrangements, we shall organise a briefing on bluetongue for all interested Members, to advise them about what can be done and answer detailed questions about movement controls.

We are all anxious to have a vaccine as quickly as possible. I hope one will be available next year, subject to its being shown to be safe and effective. We are discussing with the industry the approach we should take to vaccination once a vaccine is available and we are talking to companies that are trying to develop one. There are three—Merial, Fort Dodge and Intervet.

**Mr. Martlew:** During the 2001 foot and mouth outbreak, the decision was taken not to vaccinate because the industry—supermarkets and others—would not take the meat of vaccinated animals. Does my right hon. Friend believe they will take it from an animal that has been vaccinated against bluetongue?

**Hilary Benn:** We do not have a vaccine at present, but consumers regularly eat other meat from vaccinated animals, including poultry, so I am not sure that there would be a difficulty.

Concerns have been raised about access to slaughterhouses. From yesterday, it is possible for animals to be moved to slaughterhouses outside the bluetongue control and protection zones in England, and I hope that that will respond to the most urgent representations and make a big difference.

**Daniel Kawczynski:** Will the Secretary of State give way?

**Hilary Benn:** If the hon. Gentleman will bear with me, I shall conclude. Many Members want to speak and I do not want to take up any more time.

This has been and remains a difficult time for the livestock industry at the very moment that prospects look brighter for the arable industry. I thank farmers and their representatives for their assistance and support, because they are our first line of defence. I thank all DEFRA animal health and other staff, including staff at Pirbright, who have done all the testing in relation to both diseases, for their professionalism and hard work over the past two months.

Today is one opportunity for the House to reflect on the lessons; Dr. Anderson's review will be another. I shall conclude with one more lesson on which I have greatly reflected. As has been said, the two outbreaks throw into sharp relief for the House how best to take decisions about disease control. There is a strong case for the industry to be at the heart of decision making in the future, in both taking responsibility and sharing the costs. It is a difficult balance to strike, but the people best placed to take the decisions are those who are most affected by them and the Government remain determined to do all they can to contain and deal with the two outbreaks. I look forward to continuing to work with Members on both sides of the House and with the farming community in doing so.

2.49 pm

**Chris Huhne** (Eastleigh) (LD): This year has been a disaster for our farmers. Farmers are always at the mercy of the weather and other forces beyond their control, and that is illustrated by the bluetongue-carrying midge being blown across the channel, bringing farming in eastern England to a standstill. We very much regret the announcement that the Secretary of State has made today about the spread to Kent.

However, this summer's outbreak of foot and mouth disease was not an act of nature or random misfortune. A Government facility, Pirbright, which was designed to protect British farming has, in the words of the official DEFRA report, "beyond reasonable doubt" been the cause of the outbreak. In other words, the cause of the incident is so certain that it meets the standards of evidence required for a conviction in a criminal court. The knock-on effects of that disaster have crippled exports and the livestock market at the very worst time of year.

How could DEFRA, which has statutory responsibility for licensing, monitoring and funding Pirbright, have licensed a facility with an

"old, poorly maintained and defective effluent system",

with no fixed procedures for the maintenance of the drains? We are not talking about someone's home; we are talking about a category 4 biosecure facility. As the motion—we will support it—points out, DEFRA not only inspected safety arrangements but approved spending at the plant. There could not be a more clear conflict of interest.

The key point, which the Secretary of State has not answered today, is that what seems to have happened at Pirbright is that the systems—not only the drains, but clearly the drains—have been run down to a point where there was no maintenance unless there was failure. That may be acceptable when running the Secretary of State's boiler at home, but clearly in such an important facility there must be proper, scheduled preventive maintenance. We know from whistleblowers—for example, Steven Kendrew—who were contractors at the site, that there was no adequate schedule of preventive maintenance. Cameras should have been sent down those drains to check what had happened and to see whether there was damage. One need not be a Thames Water customer to know that old drains leak, so it beggars belief that DEFRA did not deal with the problem by sending down cameras to find out the state of the drains, even though it was considering the matter.

Ministers have said in the past that there was no awareness that there might be risks from the drains. Are they saying that it was not understood that the foot and mouth virus is able to survive in water and soil, and that a leaking pipe system could therefore prove to be a most grave hazard? That is exactly the sort of issue that a public inquiry could and should examine, along with the conflicts of interest.

I am frankly appalled that the Secretary of State appears to show so little interest in what exactly went wrong. He is an honourable man, and he comes here and says that he takes responsibility, but he was not there when the key points of failure occurred. If the most senior civil servants who knew about the pipework problems are not disciplined, what sort of signal will that send to other people in his Department? What incentive will there be to pay proper attention to detail and due diligence with other risks? There has been an abject failure of responsibility, and those responsible should go. They have palpably failed to do their job, which was to assist and protect British farming. After the rural payments scheme fiasco, there is a risk of a growing culture of impunity in DEFRA, where any sloppiness will be condoned simply because no one is likely to be found out, and if they are found out they will not face the consequences.

As we look to the future, it would be good to know whether the Minister is satisfied that no further risk is posed to British farming by the Pirbright facility. But what about the implications of this health and safety debacle for the other Government facilities? For example, has anyone yet put a camera down the drains at Compton—Pirbright's sister site—to see whether its effluent systems are in a similar state of disrepair? Can the Secretary of State also confirm that the development of a vaccine for bluetongue has been held up by this debacle? If so, for how long?

Of course, one of the unanswered questions continues to be whether the Secretary of State has yet made a proper assessment of the costs to British farming arising from the outbreak. My hon. Friend the Member for Brecon and Radnorshire (Mr. Williams) asked for such an assessment on 8 October, as did I during DEFRA questions, but we have yet to receive an answer.

The losses are very serious—I hope that the Secretary of State will also deal with this issue—because in the final two weeks of September, lamb prices were down by an average of 21 per cent. per kilo live weight compared with the same period last year. During the first week of October, the average shop price of a leg of lamb was up by 19p a kilogram, or a 2.7 per cent. increase, on the same time last year. The disparity between farm-gate and checkout prices has long been an issue, and in the light of the Office of Fair Trading's findings regarding the fixing of milk prices, I hope that Ministers will take this problem extremely seriously and give it proper attention—if necessary, by bringing in the appropriate competition authorities to check.

The National Farmers Union estimates that the cost to British farming is in excess of £100 million, but we must have a clear estimate from the Department. In Builth Wells, last Friday, a farmer sold her blue face Leicester rams for an average of just £200 per head, whereas in 2006 they averaged £700 per head. The insecurity and the depressed prices are compounding the difficulties that farmers face, despite the very welcome limited resumption of exports. Many farmers make about 80 per cent. of their income for the year at this time, and they are facing acute cash-flow problems. The entire farming calendar has been stalled, and the disruption to breeding now will have consequences next spring.

**Mr. Beith:** Does my hon. Friend not find it surprising, given that every hill farmer is known to and registered with the Department and is already subject to the payments system, that they cannot have received a payment by now?

**Chris Huhne:** I am grateful to my right hon. Friend for that intervention, because the truth is that we were discussing and debating earlier today who will ultimately pay in Scotland and Wales. Many English farmers would like to be paid at all, without the debate about who or which budget will ultimately bear the burden, to ensure that they have some relief for the very substantial distress that their businesses are facing.

**Tim Farron** (Westmorland and Lonsdale) (LD): Will my hon. Friend acknowledge that, although the additional top-up payments to the hill farm allowance are worth,

*[Tim Farron]*

on average, about £800 per hill farm, the average losses to hill farmers, certainly in my constituency, are between £10,000 and £20,000? That is scant compensation.

**Chris Huhne:** I am grateful to my hon. Friend for that intervention. He is absolutely right: the amount of compensation bears no relationship to the losses that many people are suffering. The reality is that those losses are being suffered, as the Secretary of State must know, in many cases by the most vulnerable and the smallest members of the farming community. We might not get the big guns and the NFU asking for special schemes of support, but I hope that he is listening, for example, to the Tenant Farmers Association, which is pressing for exactly that.

**Mr. Reid:** Does my hon. Friend agree that the Secretary of State should have announced both a light lamb and an older ewe welfare disposal scheme for the whole UK, so that farmers in England, Scotland and Wales could all benefit?

**Chris Huhne:** My hon. Friend makes a good point. It is clear that we need a welfare scheme. It is not enough merely to talk about compensation after the event; it is important to ensure that the impact on the market for farmers is dealt with. As he points out, not just farmers with light lambs but others in the sheep sector are struggling.

It is estimated that 40,000 sows are awaiting culling and that the number is growing by 4,000 a week. There is virtually no market for sow meat in the UK; 99 per cent. of it is usually exported. However, the abattoir in Essex that usually handles 70 per cent. of sows for export is currently within the control zone and not taking any animals. With no market for these animals, their numbers are building up on farms; that causes animal welfare issues, with overcrowding creating all the usual problems. Indeed, increasing feed costs mean that it can now cost £20 a month to feed a sow. The situation will only get worse as the number of unsellable animals increases. Will the Government listen to farmers and intervene now in instances where the suspension of exports in particular has created a surplus of animals across the UK?

DEFRA's animal health budget is not devolved, because England, Scotland and Wales are one epidemiological area. Will the Minister assure us that his Department will foot the Bill for animal welfare and market support measures in Scotland and Wales?

**Mr. MacNeil:** I thank the hon. Gentleman for pointing out the non-devolved aspect of the budget and I draw attention to the commendable argument made by the National Farmers Union in Scotland, which has asked for a mere £15 per head welfare compensation scheme. That is a low price; it is not top dollar by any means. It is a sensible request for bottoming out, to which the Secretary of State has unfortunately not yet listened.

**Chris Huhne:** I thank the hon. Gentleman for that intervention. I merely add to the arguments that we did not hear earlier from the Secretary of State.

There is one enormous difference between the 2001 outbreak and the outbreak today that the Secretary of State did not point out. The outbreak today was ultimately caused by a facility that was inspected and regulated and licensed by his Department. There is therefore a clear responsibility that must cover Scotland and Wales as well as England.

**David Maclean:** The hon. Gentleman seems to be arguing for payments to be made for an economic cull in Scotland, England and Wales, as opposed to the so-called welfare cull that Scotland has claimed all along is the purpose of exterminating 250,000 lambs.

**Chris Huhne:** As the right hon. Gentleman knows, the degree of damage to hill farmers across the UK associated with the Government's responsibility for the facility in Pirbright means that this is a special case. The Government have to consider their own responsibility and address that.

I was interested to hear from the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), who has much greater legal knowledge than I have. It is clear that DEFRA has a moral, and probably a legal, obligation to get British farming back on its feet. Furthermore, it has an obligation to ensure that what happened at Pirbright never happens again. That a Government facility through institutional negligence has been the source of the outbreak is a national disgrace and the people responsible must be held to account.

**Several hon. Members** *rose—*

**Mr. Deputy Speaker (Sir Michael Lord):** Order. Before I call the next speaker, I remind the House that Mr. Speaker has placed an eight-minute limit on Back-Bench speeches. That applies from now onwards.

3.3 pm

**Mr. Ian Cawsey** (Brigg and Goole) (Lab): Having broken out of the Whips Office, I wish to use my re-established ability to address the House to talk about the effect that foot and mouth has had in my constituency of Brigg and Goole. In particular, I want to talk about the pig industry and the severe problems that have been caused, even though my constituency is some way from Pirbright and all that happened there.

First, let me add to the comment made by those in the farming industry, other commentators and, in fairness, in the Opposition's motion that swift and decisive action by DEFRA when the outbreak was first notified reduced its potential to spread. As the British Veterinary Association says in its briefing for the debate, the overall approach was highly successful in that regard. However, that does not mean that there have been no problems, or that there is nothing more that the Government could do to help.

I also want to speak a little about animal welfare. Having chaired the associate parliamentary group for animal welfare, I know that my right hon. Friend the Secretary of State, his officials in DEFRA and other agencies take a strong interest in animal welfare and try to do the right thing, even if they do not always do everything that I tell them they should do. It was therefore unfortunate that the shadow Secretary of

State accused DEFRA and its agencies of a disregard for the welfare of animals that arose out of either callousness or stupidity. I notice that the hon. Member for South-East Cambridgeshire (Mr. Paice) did not repeat that remark in his opening speech, and I hope that my right hon. Friend the Secretary of State will accept that many of us in the House would not accuse his officials of that.

In the past few days, I have visited Stuart Teanby, a pig farmer in Winterton where I live. Stuart has a small operation—run by just himself and one other—with a weaner unit producing pigs that are reared and then moved on to other farms for fattening. I also met John Godfrey, who is not my constituent but farms so much in my area that I sometimes feel that he owns most of it. From John, I heard how the outbreak has hit someone right at the other end of farming—a huge organisation with large numbers of pigs to be dealt with. However, both are suffering from the consequences of movement restrictions and both feel there are things that DEFRA could do to assist.

I have spoken before in the House about the need to support our pig industry, which is unsubsidised. The industry has high animal welfare standards, particularly when compared with other methods of production in other countries, but that brings additional costs; in addition, increases in feed prices this year had already added another burden on to the sector. When movements stop, weaners are still coming into the production chain at a rate of about 66,000 a month and, between the ages of 12 to 22 weeks, they grow at a rate of 900 g a day—or 2 lb as I prefer to call it. A unit such as Stuart's is rapidly filled, the pigs continue to grow, the welfare conditions deteriorate and, as I know from my days in the Whips Office, fighting and bullying can break out. Anyone who knows anything about pigs will know that they can cause a lot of damage.

The partial lifting of the movement ban helped only to a certain extent. The day before I visited Stuart's farm, he had finally been able to sell on 880 pigs. He still had too many, but it was a start. However, the price had collapsed and he had to sell each pig at about £14 less than his production cost. That is a loss of more than £12,000, which he, as a small farmer, can ill afford. In the past, the Government have helped the pig industry with storage schemes to allow the throughput to continue and to keep a decent price. It will be some time before the market naturally balances out again and I hope that my right hon. and hon. Friends will consider implementing such a scheme again.

The other issue for both Stuart and John is the culling of sows, which the hon. Member for South-East Cambridgeshire mentioned. The market was stable and lucrative before the outbreak; now, there are major problems both financially and in animal welfare terms. About 200,000 sows are slaughtered each year in the UK. There is virtually no domestic market for this meat; 99 per cent. of the meat is exported, most of it to Germany, and EU restrictions effectively stop the trade. As the hon. Gentleman said, the flow is largely handled by one abattoir in Essex, which cannot export at the moment. The result is not only that we have the 40,000 extra sows that he mentioned, but that the figure is growing by about 4,000 every week.

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jonathan Shaw):** My hon. Friend has asked about Cheale's abattoir in Essex—I think that the hon. Member for Eastleigh (Chris Huhne) also referred to it. In answer to their points, may I point out that we are in discussions with the European Union about allowing animals to be slaughtered at the abattoir and then exported? We do understand the pressures and we are involved in discussions.

**Mr. Cawsey:** I am grateful for the Minister's remarks. I will await developments with great interest, although an awful lot of sows will still come on to the market very quickly. We know what the result of that will be.

I agree with what my hon. Friend the Member for Sherwood (Paddy Tipping) said about risk sharing and our need to develop systems to deal with such issues in the future. However, they are not in place now and, in the circumstances, I believe that a national sow disposal scheme should be put in place. I fear for the welfare implications if nothing is done. The British Pig Executive tells me that there are abattoirs that would be willing to slaughter sows—the Minister may be interested to learn that—and that rendering capacity exists. Obviously it would be for the Department to calculate the figure, but we estimate that the 40,000 backlog could be disposed of for £3 million. The hon. Member for South-East Cambridgeshire told Ministers where £2 million of that £3 million could come from, so perhaps the Department will look at that. When one considers the problems for farmers and animal welfare, £3 million is not an awfully large amount.

These are difficult days, even in places that are well away from the affected area. I know that there are many issues relating to other sectors, but we have limited time and many other eminent Members are better qualified than I to talk about them. I will curtail my comments in the hope that the deep concerns of the pig sectors are understood by Ministers and that they will take urgent action to address them.

3.10 pm

**David Maclean** (Penrith and The Border) (Con): I am grateful for the chance to participate in the debate. The Opposition have accused the Government of incompetence over their handling of foot and mouth. In the few minutes available to me, I would like to read out the indictment. I respect the Secretary of State greatly. He comes to this with clean, fresh hands, and I hope that he will purge some of DEFRA's policy delusions. The policy delusions from 2001 are largely responsible for the present state of affairs. My criticisms might be rather harsh, but the Secretary of State is exempt from many of them, perhaps until we reach the compensation package.

The first charge against the Government is that they have refused to admit what caused the 2001 catastrophe. DEFRA is still obsessed with markets and farmers moving animals about. Of course, once foot and mouth started, because dirty food came into the country and there was a failure to spot foot and mouth at a pig farm, animal movements exacerbated the situation, but they did not cause foot and mouth—dirty food coming into the country caused it.

**Mr. Martlew**: The right hon. Gentleman, like me, was deeply involved in the 2001 situation. Surely the farmer living at Heddon-on-the-Wall who did not boil pig swill or examine his animals was the cause of the 2001 outbreak.

**David Maclean:** The hon. Gentleman has got that quite wrong. Where did that filthy food come from in the first place? Foot and mouth did not suddenly spring up at Heddon-on-the-Wall or Catterick Army base. It had to come into this country from a foreign source. This is my second point: the Government did nothing to protect our borders and then failed to detect foot and mouth at Heddon-on-the-Wall—the farm had been inspected. The Ministry of Agriculture, Fisheries and Food—later DEFRA—was obsessed by controlling farmers and markets and covered up the fact that it had not taken the necessary preventive action to stop foot and mouth in this country. Of course, DEFRA is still obsessed by controls on markets and farmers.

Thirdly, based on these self-delusions, repairing Pirbright was not a priority. After the discovery that the drains were clapped out, clearly part of the thought process was, "Well, that's not too important because it doesn't really cause foot and mouth. Foot and mouth is caused by farmers moving animals around the country." The Secretary of State says that no one actually said that the drains were leaking, but surely it stands to reason that if one gets a report saying that drains are ancient and clapped out, one automatically thinks that they are probably leaking as well. The Government cannot escape from their responsibility by saying that no one told them about the leaking drains. The guilty man is not the Secretary of State, but the former Chancellor of the Exchequer who did not put up the necessary funds to fix those drains. That man is now the Prime Minister.

My fourth charge against the Government is that once foot and mouth started, they initially made frantic efforts to blame Merial and to try to exempt the Institute for Animal Health from responsibility. DEFRA's attempt to blame someone else when its laboratory was at fault was despicable. DEFRA was the guilty party and it remains as such. At the end of the day, it will probably have to pay in court.

The Government's fifth mistake was moving slaughtered animals around the country. They were horrified by the spectre of more burning pyres, although why they did not go for animal burial I do not know. They added to the risk. Of course, they say that the lorries were sealed and that vets drove behind them looking for any blood and guts dripping out, but the very fact that dead foot and mouth animals were being moved from infected premises to incineration plants along highways in clear zones added unnecessary risk. I assume that that happened because, for purposes of media handling, it looked better on the telly than burning cows.

A sixth charge of incompetence against the Government is that farmers outside the protection and surveillance zones—perhaps inside as well, but certainly outside, in Cumbria—were left utterly in the dark about what to do. No one told them anything. If farmers had been watching the telly or listening to the radio, they would have discovered that animal movements had been banned, but many were not doing so. They also were not linked, like computer geeks, to the DEFRA website every minute of the day. However, the only information for farmers was on that website. The Government must consider how they communicate with farmers outside the zone during a catastrophe such as foot and mouth. They should not assume that everything can be done through the website. It is expensive to send letters by post, but that is probably the only way in which farmers can be given adequate warning.

The seventh charge is that the Government did not seem to have carried out forward planning on the licensing of animal movements. It took DEFRA days and days to issue licences and guidance on whether farmers could move their cows across the road for milking and on casualty animals going to slaughter or abattoirs. That should not have happened. Surely, after 2001, a manual was sitting on a shelf that said, "If foot and mouth happens again, this is what we do on the licensing regime." All the local and county council inspectorates should have had that manual so that those responsible for issuing licences could have turned to the relevant page and processed the licences on the morning after the outbreak occurred. Instead, they seemed to be making things up as they went along.

The eighth mistake was the false all clear. The Government said, "We've eradicated foot and mouth from Surrey. It won't happen again chaps. Carry on!" However, that was negligent and should not have happened.

The ninth mistake was the failure to start markets expeditiously outside the protection and surveillance zones when it became clear that foot and mouth was being contained in Surrey and Berkshire. Yes, the markets were started eventually, but it probably would have been utterly safe to start them 10 days earlier and that would have saved an awful lot of the desperate costs that have been faced in Cumbria, the north of England, Scotland and Wales.

The 10th charge is that the 20-day standstill period negated the point of starting the markets. The Government said, "Well, we've got the markets started," but then imposed a 20-day standstill period. What on earth was the point? Yes, the standstill is now down to six days, so a farmer who was operating under a 20-day standstill and is on the fifth day has only one more day to go. For all new farmers the period is only six days. However, again, this is part of DEFRA thinking, "Farmers cause foot and mouth and farmers moving animals are the guilty party, not us, Guv."

The 11th charge is that the compensation package announced by Ministers is grossly insulting, given that farmers are losing £10 million a day through no fault of their own. If farmers had caused this through dirty farm practices or bad welfare standards, there would be a certain culpability, but farmers are utterly innocent and have a grossly inadequate compensation package.

My 12th charge against the Government, although I congratulate the Secretary of State on standing firm, relates to the Scottish cull. Let hon. Members from north of the border come clean. This is not a welfare cull in Scotland, but an economic cull. There might be merits in an economic cull to compensate farmers, but if there are merits in such a cull in Scotland, there could be merits in an economic cull in England.

**Mr. MacNeil:** Will the right hon. Gentleman give way?

**David Maclean:** No. The hon. Gentleman will be glad to hear that I am running out of time.

I am glad that the Government are not paying money to the Scottish Executive for participation in an economic cull. The welfare considerations are utterly different this time. In 2001, millions of animals were starving to death or trapped in fields with water up to their ankles. Animals were suffering. However, while animals are not suffering at the moment, farmers are suffering economically. The answer is to get the markets started as soon as possible. We could do with a better compensation package, but that should apply to the whole country. Scotland should not be separately funded on economic grounds.

My 13th charge relates to the confusion over access controls. DEFRA rightly banned hunting and all hunts complied, but people could ride hundreds of galloping horses over the fields, or walk over the fields, provided that they were not hunting. DEFRA let its prejudices rise to the surface.

I summarise by saying that the Government are guilty of negligence because they still delude themselves about what causes foot and mouth. They did not issue guidance manuals in advance, they failed to repair their own laboratory and they failed to communicate with their customers—the farmers. They failed to deal with market consequences and they were prepared to operate double standards throughout the United Kingdom. They failed in their prime duty of preventing this contagious disease from spreading.

3.19 pm

**Geraldine Smith** (Morecambe and Lunesdale) (Lab): I welcome this opportunity to contribute to the debate. I will be brief, as I know that many other Members wish to speak. First, I am pleased that it appears highly unlikely at this stage that the foot and mouth virus has spread outside Surrey, although I accept that fragments of land in Berkshire are affected. However, the outbreak should never have occurred, and we need a full investigation into the biosecurity arrangements at Pirbright. Such a thing must never happen again.

I remember only too well the heartache suffered by farmers in my constituency during the 2001 foot and mouth outbreak. I remember farmers in tears, the smell of burning animals, and the impact on tourism and other related businesses. I am therefore grateful to the Secretary of State, because his swift and effective action to control the outbreak appears to have worked, and we seem to have contained the disease.

It has once again been a terrible year for British farmers, particularly hill farmers. Hill farmers in the Lune valley in my constituency have been hit very hard. Between 70 and 80 per cent. of a hill farmer's income is generated at this time of year. It was the worst possible time in which to have movement restrictions in place, and the lamb market has collapsed. Prices are down from £1 a kilogram to 60p. Not surprisingly, hill farmers have been very distressed. It is welcome news that exports have resumed; that is important for farmers.

What else can the Government do? The aid package to hill farmers is certainly welcome, but the money must reach those farmers quickly; that is important given the cash-flow problems. The marketing and promotion of British meat and dairy produce is essential for our domestic and export markets. We produce the best meat and dairy products in the world. We comply with the highest standards of hygiene and animal welfare, and we need to tell people that. We need promotion of British meat. The drive for cheap food and the power of the supermarkets has been at the root of many farming and rural problems over the past decade. We must have fair farm-gate prices. Milk prices have improved, but small family farms are still disadvantaged, because prices are often volume-related.

James Birkett was Lancashire county chairman for the National Farmers Union over the past few years, but he recently stood down. He has written to me, and I will read his letter because it is very important:

"As you know many of your constituents are farmers, and the recent F&M outbreak in Surrey, plus the new Blue Tongue cases in East Anglia have caused extensive movement restrictions throughout the whole Country.

This has come at the worst possible time for the livestock farmers in this area as it is the time of year when all the breeding sheep sales and the beef store sales take place. As you can appreciate, there is now a major cash-flow problem in many farming households.

The annual payment for the 2007 SFP"—

that is, the single farm payment—

"is due on 1st December 2007 and that money would be particularly welcome this year. We, many of our local colleagues and probably thousands of other farms, especially in the livestock sector, have had our maps verified; had no change in land use; no change in stocking ratios and accumulated no more land. In fact, nothing has changed since the SFP was set up.

Why is it not possible for these holdings to be paid out immediately, on December 1st? This would leave more time available for the less straightforward cases and also, alleviate a great deal of hardship."

That is a simple request, and I have a lot of sympathy for Mr. Birkett's argument. I should be grateful for a response from the Secretary of State, or from the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Chatham and Aylesford (Jonathan Shaw) when he winds up the debate. Will they let us know whether the payments can be made quickly, particularly the straightforward single farm payments?

It is essential that the nation produces its own food, rather than rely on imports. Often, those imports are inferior. As I say, British farming complies with the highest standards on animal welfare and hygiene—indeed, on everything. We have lots of regulations. Farmers often feel that there is an unfair playing field, because they are competing with food from abroad that has not been produced to the same standard as food from this country, and I agree with them.

**Dr. William McCrea** (South Antrim) (DUP): Surely the Secretary of State should do something about the issue. Cannot he encourage his European partners to stop Brazilian beef imports from challenging British beef? British beef is produced to the best possible standards, and even Brazilian beef is not produced in a foot-and-mouth-free zone.

**Geraldine Smith:** Those issues should definitely be taken up. We owe our farmers a great deal for what they do, and for managing the countryside. I was out

*[Geraldine Smith]*

walking in the Lake district this summer, and I walked across beautiful fields. The countryside is preserved by farmers; we sometimes forget that, and we take them for granted. Of course, they also provide our food, and it is important that we produce our own food. The Government must therefore make every effort to help farmers through these difficult and distressing times. It is important that we must make sure that our farmers are not forgotten.

3.26 pm

**Mr. Humfrey Malins** (Woking) (Con): The outbreak of foot and mouth in the village of Normandy in my constituency of Woking was confirmed on Friday 3 August. Shortly afterwards, the focus of attention shifted to the village of Pirbright, thought to be the source of the outbreak. Pirbright, also in my constituency, is the home of the Institute for Animal Health and the company Merial, which share a site.

Our first thoughts today should be for those in the Woking area, and throughout Surrey and beyond, who have suffered the most, emotionally and financially—local farmers and smallholders who had livestock killed. They and their families went through stressful and tragic times. They and others who suffered as a result of movement restrictions and surveillance zones handled the situation with calm and patience, and we must all commend them on their fortitude.

Next I would like to express my thanks to some individuals. Mike Nevins—he is the mayor of Guildford—and Diana Lockyer-Nibbs of Normandy are both councillors from the Woking area. They reacted and behaved exactly as councillors should, providing support and guidance to people in Normandy, Pirbright and the surrounding areas in the difficult days following the outbreak. I also thank the Secretary of State and his Ministers for their help during those times. I particularly thank my hon. Friends the Members for South-East Cambridgeshire (Mr. Paice) and for East Surrey (Mr. Ainsworth) for their helpful advice to, and contact with, so many people in the Woking area in the days after the dreadful outbreak.

The Institute for Animal Health is an internationally respected and admired organisation which has existed happily in the village of Pirbright for many years. Indeed, quite a number of local people work there. The institute has been noted throughout for the excellence of its work, the commitment of its staff and its huge emphasis on safety. Professor Martin Shirley, the director, leads an outstanding work force. It is vital that the Government remain committed to the Pirbright site and to the planned final phase of the site redevelopment which is to go ahead in the coming years. Will the Government please confirm that today? It is a crucially important site.

Merial, the company on the same site, is a world-leading innovation-driven animal health organisation providing a comprehensive range of products to enhance the health and well-being of a wide range of animals. It is a key player in worldwide biosecurity and the world leader in foot and mouth disease vaccine production. Merial has been producing at the Pirbright site for about 15 years and employs about 80 people there, mostly from the local area, in vaccine production. It provides emergency vaccine capability for 20 countries and international organisations and is a leading global company committed, like the institute, to the highest standards of product quality and safety. Like the institute, Merial has responded positively to the Spratt report recommendations and has put them into effect.

We may never know exactly how the outbreak occurred, but we can make a judgment today as to where much of the blame lies. If we were the jury considering a verdict, we would ask ourselves certain questions. In relation to the institute's site at Pirbright, whose duty is it to license? The Government. Whose duty is it to regulate? The Government. Whose duty is it to inspect? The Government. Whose duty is it to provide the funding? The Government. Who, therefore, is the guilty party in this case? The Government.

The Government may have learned lessons from 2001. I congratulate them on reacting more quickly and efficiently this time, but one immediate problem in the Normandy area was the failure to close footpaths in the locality immediately. I called for this, as did the National Farmers Union, but I have to report, sadly, that people were able to walk across the protection zone as late as five days after confirmation of the first case.

There was a shortage of information, especially for local people and local farmers and smallholders. Not all of them are on e-mail. I had constituents ringing me about whether they could ride their horses in the protection zone, and few were updated. In a stressful situation, keeping people fully informed is essential in controlling the situation and their anxieties.

There are many in the Woking area who have not been informed very carefully about compensation, which is another important issue. Specifically, can the Minister write and tell me how many people in my constituency are to be compensated, when they will be compensated, the extent to which they will be compensated and the precise procedure for obtaining compensation? This is an area of great difficulty and complexity for a number of my constituents.

**Lembit Öpik** (Montgomeryshire) (LD): The question of compensation goes back to the last foot and mouth outbreak and we have had many problems with it in the past. For example, some of the farmers with farms on either side of the English-Welsh border still have resentments and problems from that time. Does the hon. Gentleman agree that such problems cannot be allowed to arise in the case in his constituency?

**Mr. Malins:** I recognise the hon. Gentleman's deep interest in these matters and accept his point entirely. I hope we will get it right this time.

**Mr. Oliver Letwin** (West Dorset) (Con): Does my hon. Friend recognise that there are many people in my constituency, and no doubt in the constituencies of many of my hon. Friends and of Members in other parts of the House, who are not directly in farming but who are, for example, hauliers whose business has been totally destroyed, and that no compensation is currently forthcoming?

**Mr. Malins:** My right hon. Friend is right. He refers to problems in his constituency, and there are other people—I shall not use the phrase "on the fringes" because in a sense they are directly connected—who suffer greatly and who are confused as to their position. The Government should look carefully at the whole issue of compensation and make it plain to everybody who wants to know who is entitled and how they will receive it.

The Government's position is damaged by the Spratt report. Its main focus is on the old, poorly maintained and defective effluent system that is shared by the two facilities at Pirbright. There is reference to the poor state of the effluent pipes, indicating that adequate funding has not been available to ensure the highest standards of safety for the work on foot and mouth disease virus carried out "at this ageing facility". The report goes on to state that there has been concern for several years that the effluent pipes were old and needed replacing, but after much discussion between the institute, Merial and DEFRA, money was not made available. That is the crucial point. I am driven to the conclusion that inadequate funding and possibly inadequate inspection are major causes of the problems that we have faced in Surrey. I have had many conversations with the local Pirbright parish council—an excellent organisation, which has been concerned for many years about the lack of funding.

Let me repeat the critical point that DEFRA is responsible for the inspection and licensing of both sites. The geographical set-up of the relevant pipe, would have been approved by DEFRA years ago and should have been inspected by DEFRA. I am troubled by the possibility that the Government are trying to imply that this is a "nothing to do with me, Guv" issue, implying that in criminal terms their hands are clean. "Let us look at Pirbright and find out who is at fault there" seems to be the Government's attitude. The true answer to "It's not me, Guv" is, I am afraid, "It's a fair cop", but we are not going to get that acknowledgment from the Government.

We all want answers to some pretty direct and basic questions. First, do we know for certain what was the cause of the Normandy outbreak? Secondly, is DEFRA 100 per cent. satisfied with the quality and frequency of its inspections and its licensing procedure? Thirdly, are the Government 100 per cent. satisfied with the level of funding provided over the last 10 years? Fourthly, to what extent, if any, do the Government accept that lack of funding was a contributory factor? Next, what specifically did the institute ask for in respect of funding, what was given, what was refused and where have there been delays? Finally, what exactly has been done to improve the drainage system at Pirbright since the problems were first identified some three or four years ago? Those are specific questions requiring specific answers. The Government have a duty to tell the House their answers, just as they have an absolute duty to ensure that this sort of outbreak does not happen again in Normandy, in the rest of Surrey or in the rest of the country.

3.36 pm

**Mr. David Jones** (Clwyd, West) (Con): I am pleased to contribute to this debate, particularly since I represent one of the foremost lamb-producing areas of the country. The Vale of Clwyd and the surrounding hills are renowned for the quality of produce and the very brand "Welsh lamb" is a byword for excellence. Farmers know their business; they know their animals; they know the land they work on. As the hon. Member for Morecambe and Lunesdale (Geraldine Smith) pointed out, it is they who are largely responsible for the landscape that we see today.

My constituents were devastated by the foot and mouth outbreak of 2001 and it has taken a long time for their fortunes to improve. One can only imagine the devastation that the events of 3 August and what followed have wrought on them. It could not have come at a worse time. Most of the trade in Welsh lamb is conducted during August to December, which is the livestock farmer's harvest period. The export trade this year and possibly for next has been destroyed, with the consequent glut causing lamb prices to collapse. Indeed, at Ruthin market two weeks ago, one of my constituents obtained, after costs, 36p a head for his ewes.

The devastating effect on the industry can scarcely be overstated. I believe that everyone recognises that the fault lies in incompetent supervision of the Pirbright facility. There can be no question but that any facility whose sole function is to contain a dangerous virus that allows that virus to escape into the environment must necessarily be viewed as negligent—or even worse. Perhaps, as my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) suggested, there is strict liability under the principle of Rylands *v.* Fletcher. The Secretary of State's assertion that pure economic loss cannot be addressed could well be wrong.

The fact is that this Government, to their shame, regarded the outbreak of foot and mouth disease as a suitable vehicle for establishing themselves with a reputation for competence in the run-up to the election that they believed was fast approaching. *[Interruption.]* That is perfectly obvious, despite the pained expressions emanating from the Secretary of State. It is perfectly obvious that that was the Government's modus operandi from the moment that the disease became apparent.

**Hilary Benn** *indicated dissent.*

**Mr. Jones:** The Prime Minister broke off his holiday, halfway through his scone, to hotfoot it back to London in order to take charge of the Cobra team. We subsequently witnessed the spectacle of the Secretary of State for Wales being quoted in *The Western Mail* as saying, remarkably enough, that the Government's handling of the foot and mouth crisis had established for them a "reputation for competence". If that constitutes a reputation for competence, heaven knows what would constitute a reputation for incompetence.

When the Prime Minister finally decided to chicken out of the election, he said that he could have gone to the country on the basis of the "reputation for competence" that the Government's handling of the foot and mouth crisis had established for them. That was a cynical exercise all along. In fact, it is more than competence: it is a cynical manipulation of the processes in this country.

I want to press the Secretary of State on something that he mentioned earlier. In his statement to the House on 8 October he made it clear, as he has today, that the devolved Administrations would have financial

*[Mr. David Jones]*

responsibility for the support schemes in Wales and Scotland. We know that excised from his original speech were the following words:

"I have also agreed with the Chief Secretary to the Treasury that Scotland should receive £8.1 million and Wales £6.5 million to assist them in countering the impacts of foot and mouth on their livestock farmers."

The Secretary of State has told the House—and I am sure the House accepts it—that the words were not originally inserted with an eye to the election. What I should like to know, and what I am sure other Members would like to know, is why, in that case, they were excised. It is a simple question, and I think that the House is entitled to an answer to it.

**Lembit Öpik:** Furthermore, without such an explanation would it not be reasonable for the farmers of Wales and Scotland—including those in my constituency—to feel disrespected once again? It seems that a form of words offering a fairly small amount—even that small gesture—was removed by someone who did not think it important enough to inform the Welsh and Scottish farmers of the support that they could expect.

**Mr. Jones:** That is a fair point. I do feel that the Government have shown a certain lack of respect to farmers in Wales and Scotland.

It is clear from what the Secretary of State said earlier today, and on 8 October when he made his initial statement, that the Government intend to resist any claim for consequential economic loss. He will be aware that both NFU Cymru and the Farmers Union of Wales are taking legal advice on the prospects of recovery. Would it be too much for the Government to indicate that they will deal with those claims in a positive, proactive and co-operative manner and will not expect the farming industry to go to the wire in court—and particularly that, if they should indeed be liable according to the principle of Rylands *v.* Fletcher, they will meet whatever obligations they have to the industry to the full extent of their legal liability?

Finally, there is the question of accountability. What has happened over the past two months has been the most appalling episode for the British farming industry. It cannot be right for such a massive infliction of damage on the industry to go without a single individual being disciplined, and without a single resignation. Resignations must be called for. I hope that the Secretary of State will consider that aspect of the matter, and will ask those whom he considers responsible to resign.

This whole episode has highlighted a Government who are incapable of dealing with any emergency on any basis other than with an eye to publicity and the way in which they present themselves to the electorate. It is high time that they were straight in their dealings with the agricultural community. I can tell the Secretary of State that the British agricultural industry has sustained enormous damage, and that it will be a long time before it recovers and an even longer time before it forgets.

3.44 pm

**Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy) (PC): I follow the hon. Member for Clwyd, West (Mr. Jones), whose constituency borders mine, and I agree with much of what he said.

Wales is quite far from the site of the foot and mouth outbreak, but as the hon. Gentleman said, it has brought the livestock industry in Wales to a standstill. From 3 August to 10 October, nothing has been able to be moved or sold and it has hit Wales particularly badly. Abattoirs such as Welsh Country Foods are saying that they do not intend to send meat for export as the conditions imposed are so onerous. As the hon. Gentleman said, 80 per cent. of Welsh ewes are classed as hill and upland breeds. Of course, they produce lighter animals. Those are normally for export and not for consumption in the UK; they are normally about 2 kg lighter than the average weight in England and Scotland. Therefore, there is little domestic demand for those light lambs. It is a crucial time: exports should be going on apace and we should be reaping the harvest, as it were.

In 2006, 1.1 million lambs were exported from Wales, with a £30 million value. That is 35 per cent. of the total Welsh lamb production. NFU Cymru has written a memorandum saying that it is essential that, following the meeting of the Standing Committee on the Food Chain and Animal Health,

"government both in London and Cardiff maintains the pressure on the European Commission to allow the UK to resume exports as soon as possible."

There was some good news in what the Secretary of State said about the six-day standstills. That is welcome, but some 200,000 store sheep are traded in Wales annually, with almost 70 per cent. of that trade occurring between August and December. In that period, 900,000 sheep, including breeding ewes, are also normally traded.

The Welsh Assembly Government have tried to put in place a light lamb scheme to go some way towards alleviating those huge problems, and they are welfare problems, regardless of what the right hon. Member for Penrith and The Border (David Maclean) said earlier. They are genuine welfare problems in the uplands of Wales and in Scotland—there is no getting away from it—and they are getting worse by the minute.

With regard to bluetongue, we are aware that the BTV8 vaccine is available and ready to go. I urge the Secretary of State to look at that situation because we can all see that bluetongue disease will not go away overnight. It might be stalled during a cold winter. I need not say that there is a great fear that it will be back with us in the spring. The last thing we want is to be unprepared for it. I hope that contingency plans will be put in place to deal with that. It is bound to come back.

Before I deal with the question of compensation, I make this other general point. In 2001, the previous Prime Minister, Mr. Blair, told the supermarkets that he wanted them to support the meat industry in the UK. It is now 2007. Precious little support is being offered. This is an opportunity for them to get involved properly in supporting this most important of industries. Although the Government cannot force their hand, they undoubtedly have a role in persuading

them gently, and not so gently if necessary, to come into this void and to start to help out at what is the most important time in recent history for the agriculture industry in Wales and throughout the UK.

The agriculture industry has seen a lot of troubles in the past 10 years. I am sure that we will come through this eventually, but times are very hard and we need support. I ask the Secretary of State again to look at the question of compensation. I do not want to dwell on the statements that we have had, but it is interesting that in both statements the Secretary of State has said that the outbreak has arisen from an unusual set of circumstances and that, to reflect that, the Chief Secretary has made funds available. I take it that the unusual set of circumstances means that there could be culpability on the part of Government in due course. I happen to agree with the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) and the hon. Member for Clwyd, West. The case has been made. We have talked in legalistic terms. It must be a strict liability issue. If someone undertakes a dangerous occupation on their land and any toxin or other danger emanates out to the public, they are liable under Rylands *v.* Fletcher and the rule of strict liability.

I do not condemn the Government, but I ask them to think carefully. The Secretary of State said that he has lawyers who will advise him. There are lawyers in this House as well, and the opinion has been made. *[Interruption.]* Is the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Chatham and Aylesford (Jonathan Shaw) laughing? Perhaps this is a laughing matter to him, but some of us care passionately about it. I respectfully advise the Secretary of State that this is a strict liability issue, and that it is therefore now time for the Government to apply pressure for compensation—on the Treasury, if that is where the money is to come from.

I spoke yesterday and the day before with the Minister in the National Assembly for Wales who has responsibility for agriculture. It is not acceptable for us in Wales to have to look for contingency funds for something that occurred due to a strict liability issue over the border. We are far away from the seat of this infection, but we are suffering as much as anybody else—perhaps more so. In the area I represent, there are many communities of hill farmers so we are suffering greatly. Diversification is not a relevant term there; it is not possible to diversify in high upland areas. We are utterly dependent on the trade in question, which has been brought to a standstill.

I ask the Secretary of State to liaise further with his opposite number in Cardiff, Elin Jones AM, Minister for Rural Affairs, and to use his good offices to try to ensure that the Treasury is receptive to an application for reasonable compensation at this stage. There are clear welfare and economic issues; there are huge issues for all of rural Wales that could, in part, be addressed.

I do not accuse the Secretary of State of cynicism; I have been careful not to do so. I believe him to be an honourable man, and I urge him to assist us in this most important of matters for both Wales and Scotland.

3.52 pm

**Anne Milton** (Guildford) (Con): I wish to raise two main issues—why this happened and who is responsible, and the individual concerns of my farmers—but I shall start by paying tribute to Government Ministers. When the news broke on that Friday, they went to some lengths to be in touch with me. My hon. Friend the Member for Woking (Mr. Malins) received the same treatment, as did many other Surrey MPs. Ministers were vigilant about keeping in touch with all of us throughout that weekend, the following week and when the second outbreak occurred.

I also wish to state that it was a pleasure to welcome the Secretary of State to Guildford to meet some of the staff working at the Department for Environment, Food and Rural Affairs site in my constituency. I have no doubt that the Government learned a great deal from the 2001 outbreak, and their swift action on animal movements certainly had a significant impact on this outbreak.

However, I am sorry to have to say that most of my praise ends there. There has been a lot of comment about why the outbreak occurred. I wish to highlight a few remarks made in both the Health and Safety Executive report and the Spratt report. First, let me quote from the HSE report:

"However, such was the condition in which we found the site drainage system that we conclude that the requirements for Containment Level 4 were not met...Our conclusion is supported by the evidence we found of long-term damage and leakage, including cracked pipes, unsealed manholes and tree root ingress."

It is astounding that the Secretary of State cannot accept that there had been long-term leakage.

What that report goes on to say is even more shattering:

"we are aware of a difference of opinion between IAH and Merial over responsibility for maintenance of a key section of pipe".

That is astonishing. It sounds a bit like a council arguing about a piece of land and who should cut the grass, with the housing department saying it is highways land and the highways department saying it is housing land. It is incredible that, in a facility that was dealing with such a dangerous virus, people were squabbling madly over who was responsible for a pipe.

**Mr. Letwin:** Does my hon. Friend agree that another troubling aspect of this is the suspicion, at the very least, that the reason why the two organisations were under such financial pressure was that DEFRA was very short of cash because it had been fined by the Commission as a result of the Rural Payments Agency episode?

**Anne Milton:** My right hon. Friend makes a very good point. It has emerged during today's debate—I welcome it for that reason—that this was crisis management and catch-up management that, in the end, had disastrous consequences. In fact, it was a failure of management.

The Spratt report refers to an

"old, poorly maintained and defective effluent system that is shared by the two...different types of facility...The poor state of the IAH laboratories, and the effluent pipes, indicates that adequate funding has not been available to ensure the highest standards of safety for the work on FMDV"—

*[Anne Milton]*

the foot and mouth disease virus—

"carried out at this ageing facility."

It continues:

"There had been concern for several years that the effluent pipes were old and needed replacing but, after much discussion between IAH, Merial and Defra, money had not been made available."

The reports are damning, and it is disingenuous of the Secretary of State to deny that this problem was known, and to deny that there was a failure to take action to do anything about it.

I turn to some of the points that individual farmers have raised with me. Although farmers in my constituency felt that they were dealt with quite well by DEFRA, certainly at the beginning, latterly, communication did falter. They talk about an issue of trust between DEFRA and vets and farmers, and express concern that DEFRA would not allow movement for welfare purposes unless it was backed up by the Royal Society for the Prevention of Cruelty to Animals. DEFRA asked them for statistics that they had already supplied. There is a feeling that nobody is listening to them, and they get very irritated at having to supply all those statistics anyway, only to be asked for them again when the outbreak happened. They also talk about the compensation—some £12.5 million to help farmers affected by foot and mouth disease, yet the cost to the industry is estimated at £100 million.

A farmer in my constituency who deals in specialist breeds talks about the problems that such farmers face. Their cattle take much longer to fatten—they are taken right up to the 30-month mark prior to slaughter. However, foot and mouth has prevented them from slaughtering their cattle at the 30-month mark, as they are over the limit that abattoirs will take. As a result, the farmers do not get the market rate and are left out of pocket.

There is an even more damning indictment, from a farmer who has written directly to the Secretary of State. At the end of his letter, he says:

"The way in which I have been treated and the working practices of your staff"—

DEFRA staff—

"have left me with no trust in the professional competence of Animal Health and I question its fitness for purpose and ability to cope with the current outbreak of foot and mouth."

He describes a catalogue of concerns, including poor blood-taking techniques, distress to his cattle, the inability to communicate well with DEFRA, blood test delays and, in particular, the huge delays that he encountered in getting answers on milk movements.

Although DEFRA staff—including the staff whom I and the Secretary of State met—were clearly working very hard, they were not necessarily working with the farmers or understanding their very real concerns. My farmers' frustration at the lack of information, the poor information provided, and the sense that nobody understood their problems or was working with them, is profound: There are many lessons that need to be learned, but as has been pointed out, there needs to be further work, particularly on the airborne transmission of foot and mouth disease.

Another issue to raise, which has not been touched on this afternoon, is the huge loss to charities in and around Surrey. Charities rely on a lot of this land for the holding of events to raise funds, thus they have lost a huge income over the summer.

The Secretary of State is well known to many of us in this House as a man of integrity and honour, and I am extremely grateful to him for staying in the Chamber for the duration of this debate. However, he does not realise that foot and mouth affected both Surrey and Berkshire, and his comments during his opening remarks are unbecoming of his reputation. He sounds just like a typical Minister wriggling on a hook. I am sorry to say it in these terms, but it disappoints me that he did not show more integrity during his opening remarks. I hope that he will specifically answer some of the questions that have been raised. The farmers and the many businesses associated with farming, which we must never forget, will pay a very high price for this situation. The very least that they deserve is for the Secretary of State to admit the failings of his Department.

4.1 pm

**Tim Farron** (Westmorland and Lonsdale) (LD): We are clearly discussing a matter of enormous concern to rural Britain, but it should also be of enormous concern to the whole country. Those of us who lived in the parts of the country that were so badly hit by the 2001 outbreak will recall the graphic and visible scenes that have been described—the burning pyres, the piles of dead bodies, the pictures of Prime Ministers in their biological suits and the closed footpaths. Thank God, we are not seeing those again. The problem is that, whereas in 2001 the highly visible nature of the outbreak meant that urban Britain—the 95 per cent. of the population that does not live in the countryside—was aware that there was a crisis, which resulted in sympathy, political support and pressure on the Government, in 2007 the consequences of foot and mouth are less than highly visible to most of the country.

All of us know that that second phase of outbreaks in September came about at the worst possible time. It was on the eve of both the Westmorland show, which is obviously highly important to us in Westmorland and Lonsdale, and the back-end sales. One farmer put it to me that one way of getting urban folks to understand the nature of the problem and the extent of the crisis is by saying that what happened to the livestock markets is the equivalent of a virus breaking out in the high streets of Britain in the last week of November and the retail sector being put out of business for six weeks over Christmas and new year. That is the gravity of the situation. I make no party political point, but merely observe that the overwhelming majority of Government Members of Parliament do not represent rural areas and thus are not being pestered by their constituents because this is not a visible problem to them. As a consequence, Ministers are perhaps quick to take visible action to deal with the outbreak of foot and mouth, but are not so quick to deal with the economic realities.

Last Monday, the Secretary of State made a statement in the House on the compensation package. In the end, the package, containing an £8.5 million uplift in hill farming allowance and an extra £4 million in additional support, was staggeringly inadequate.

Given that many of my hill farmers have lost well in excess of £10,000 each and that, in export sales alone, the farming industry is losing £2 million a day, that compensation, although welcome in so far as it goes, is massively inadequate.

**Sir Robert Smith** (West Aberdeenshire and Kincardine) (LD): The important message for those not in a rural area is that this is not just about the jobs on the farms or about seeing the farms through one season. It is about getting the industry through the crisis and back on a sustainable footing for the whole food manufacturing industry that depends on its existence throughout the year.

**Tim Farron:** I thank my hon. Friend for his observation, and I agree with him. I shall give one graphic illustration of the problem. This morning, I talked to a farmer in Longsleddale in my constituency. He had been to market this morning, and for a finished fat lamb he received £28. Earlier in the year, he would have expected to have received £42, and even that would have been an inadequate sum. Prices are now at early 1980s levels, yet this is 2007.

**Mr. Alan Reid:** Does my hon. Friend agree that throughout the whole of Britain we need a welfare disposal scheme for light lambs and older ewes and for dairy bull calves, all with compensation? We also need a headage payment for breeding ewes to compensate for the market losses, as well as additional funding for farmers and crofters in hill farming areas.

**Tim Farron:** I agree with my hon. Friend that the Government should be pursuing all those measures. It would be a small price to pay, given the benefits that farming delivers for this country.

I referred to the ridiculously low prices that farmers are being offered as a consequence of the dreadful situation they are in, but we all will have observed that prices remain the same on the shelves in the supermarkets. The problem is an excess of supply over demand, and therefore disproportionate power in the hands of the buyers, who know that they have farmers in a vice. I want to take this opportunity to condemn—I hope on behalf of the whole House—the role played by many buyers and supermarkets in deliberately exploiting the weaknesses of farmers in the markets. That is a demonstration that the free market does not work. There is no invisible hand in the marketplace making things fair. We need to demonstrate our visible hand to ensure fair trade for farmers. If I may be forgiven the plug, it is a clear demonstration of the need for a market regulator in that area.

Most of the farmers in my constituency are tenants and they have tiny incomes. Only two weeks ago, I talked to a hill farmer who reminded me that he had not made a profit in the past decade and he is living off what little he has. Over that period, many of the farmers in my area have lived off historical profits and, as tenants, they have no property to fall back on.

Few people are coming to farming from fresh, without a farming background. The farming lifestyle is very attractive in many ways and the work done is so valuable, but increasingly few of those who are from farming backgrounds are taking the risk of following their parents into farming. One consequence is the reduction in the number of working farms. One valley in my constituency had 26 farms 25 years ago, but now has only seven—the same amount of land is managed by a much smaller number of people. The consequences are clear. First, we run a huge risk with the security of food supply. The Government are vexed about energy supply, but they are seemingly not that bothered about the food supply; they should take the issue on board.

Secondly, there is the landscape. People may think that farming is heavily subsidised and we give folks in agriculture money for nothing, but they should remember that the countryside that we value so highly and on which tourism completely depends does not occur naturally. It exists because it is farmed. It is estimated that some £400 million a year is spent by farmers on maintaining the countryside, and they get none of that back. The footpaths are maintained by farmers. Fields are not boggy and flooded, thanks to farmers. Natural England should be reminded that if it wants partners to help to deliver its biodiversity programme, it needs farmers farming.

Keeping Britain farming is an investment, and I am afraid that the Government are not making that investment. If we are to invest money in the industry—the Government owe it to farmers to provide more than the pittance that has been offered so far. The most obvious approach to take is price support, as many other hon. Members have pointed out. If a third of sheep were to go to export and now will not do so, the answer is to buy them and create a floor price so that farmers get a fair return for the work that they have done. After all, as we have established, the problem is the Government's fault.

Let us be clear: foot and mouth disease is an animal welfare problem, but principally it is a farm economics problem. That is why it is so important that the Government get the balance right. In killing off foot and mouth, we must not kill off farming.

4.9 pm

**Mr. Brooks Newmark** (Braintree) (Con): I have often said that Mystic Meg would have done a better job of economic forecasting than the Prime Minister managed when he was in the Treasury, but his ascension as pharaoh this summer was met in short order by, if not quite the full spectrum of biblical plagues, at least a fair proportion of them. The rivers did not exactly turn to blood, but they certainly burst their banks, and our farmers have had to endure more than their fair share of pestilence and death. But sadly, across swathes of the country, there has been no exodus of animals going to market. The only frantic escape this summer has been the number of savers fleeing in the face of the Government's inept handling of the Northern Rock debacle.

The Prime Minister was keen to assure the country that he took personal control of the latest foot and mouth crisis. With typical hubris, he told the press in September that,

"it is only because we learnt lessons from what happened in 2001 on foot and mouth that we were able to act as instantly as we did to prevent the spread of that disease."

*[Mr. Brooks Newmark]*

Only a week later, the Government had their own attack of foot in mouth, when they were forced to revoke the all-clear in the face of a new outbreak.

The 2001 general election was delayed because of the seriousness of the foot and mouth outbreak, but this year the Prime Minister was far more concerned with his own case of election fever than with the plight of thousands of farmers. Although he is quite safe from bluetongue, when it came to quashing election speculation, he proved that he was suffering from a good dose of forked tongue. Indeed, he decided against taking his case to the country only when he realised that he had become,

"a tainted wether of the flock,

Meetest for death"

at the polls.

**Mr. MacNeil:** Given what the hon. Gentleman said about the Prime Minister's hubris, does he agree that the Prime Minister and his Government should not be allowed to get away without paying the compensation due to farmers and crofters in Scotland?

**Mr. Newmark:** The hon. Gentleman makes an excellent point—the same point made by all Opposition Members. I completely agree with what he says as it applies not only to Scotland, but to England and Wales.

My constituency lies within the present bluetongue control area. I can only say that over the summer local farmers were more interested in getting accurate information from DEFRA than they were in election speculation. As the livestock manager for a large farm in my constituency says,

"DEFRA guidance has not been particularly clear",

and the

"situation is changing so fast that nobody seems in control."

As a dairy farmer, he has not been too badly affected, because milk sales have continued and the price of milk has actually risen. However, although some livestock sales have now resumed, he has had to cull bull calves from his herd because they could not be sold and he has lost £40 or £50 per head as a result. His vets are being very strict, which he admits is quite right, but vets and farmers alike are finding it hard to get access to accurate and up-to-date information from DEFRA.

Farmers are not irresponsible people and they are not unreasonable. They appreciate that it is hard for the Government to keep up with a rapidly evolving situation such as the bluetongue outbreak.

**Adam Afriyie** (Windsor) (Con): I share my hon. Friend's view that farmers do the best that they can but that it is often DEFRA's operating procedures that cause the trouble. Is he aware, for example, that in the Windsor constituency in Berkshire, which was affected by the outbreak, cattle were seen falling off the back of a DEFRA lorry on a roundabout?

**Mr. Newmark:** My hon. Friend makes a good point, but I need to move on.

As I said, farmers are not irresponsible. They appreciate that it is hard for the Government to keep up with what is going on, but they should not have to fight to get accurate information and to get the necessary authorisations when they are only trying to obey the law. They should not be feeling that the Government have lost control.

Like much of East Anglia, Essex has been caught once again, now in a double whammy from foot and mouth and bluetongue. Forty years ago almost to the day, the first cases of foot and mouth were confirmed in Oswestry, marking the beginning of the 1967 outbreak. The culprit for the August outbreak was quickly established as the strain of virus from the 1967 outbreak, which was stored at Pirbright and released through broken drains. It seems that short-sightedness is not the only guilty bequest that the Government have inherited from the era of Harold Wilson.

Responding to the inquiry into the 2001 epidemic, the right hon. Member for Derby, South (Margaret Beckett) said:

"The House will want to know what else would be different in any future outbreak of foot and mouth disease." [*Official Report*, 6 November 2002; Vol. 392, c. 286.]

Well, although farmers have again been left to pick up the pieces, the difference is that the Government caused this outbreak directly. Why do I say that? As the Secretary of State himself announced last Monday, no money had been invested in the drains because they were not believed to be problematic. He was adamant about the sincerity of that belief, but how far was it reasonable and who is to be held accountable for it, given that it proved so disastrously incorrect? The Secretary of State told the House that

"nobody thought that they were in such a condition." [*Official Report*, 8 October 2007; Vol. 464, c. 39.]

But did anybody think to check—and if not, why not?

If, in similar circumstances, there had been an outbreak of a disease that was infectious to people, resignations would have followed and, presumably, charges would have been brought against those responsible.

**Mr. Martlew:** Will the hon. Gentleman give way?

**Mr. Newmark:** I have not got the time, so I am not giving way.

The latest foot and mouth outbreak has indirectly affected thousands through the loss of livestock and livelihoods. Someone still has to step up and take responsibility for that outbreak and its consequences for farmers.

4.15 pm

**Bill Wiggin** (Leominster) (Con): We have covered an important subject today. My hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) opened the debate by asking all the right and awkward questions of the Government. He also patiently took some rather silly interventions from the hon. Member for Stroud (Mr. Drew), who clearly had not read page 9, item 31 of the Spratt report.

My hon. Friend also took an important and valuable intervention from my right hon. Friend the Member for Maidenhead (Mrs. May) about the removal of top soil from the Pirbright site, and the Government's complete failure to record where they have put it.

The Secretary of State did not do himself a great deal of credit in his response to my hon. Friend's opening speech. I believe that he told us that no work on a bluetongue vaccine will take place until the new heat treatment filters are fitted. As I understand it, the Pirbright factory was making a vaccine for a disease that we did not have in this country, and allowed that disease to escape. Now that there is bluetongue all around the Pirbright factory, it is not making the vaccine—although we now need it, because the disease has emerged. It defies belief that the Government cannot get anything right.

Nor is it right for the Secretary of State to suggest that no scientist had complained about the drains and that therefore the drains could not have been leaking. Scientists do not look down drains. That is the responsibility of DEFRA; it is supposed to regulate the site, rather than leaving it to scientists to complain about the drains. The idea that nobody acted negligently cannot be right; it is absurd and flies in the face of DEFRA's reactions to farmers, who are now being prosecuted. John Hepplethwaite, 72, and his wife Sally, 69, are being prosecuted for not noticing, I believe, that their cattle had foot and mouth. They are not vets or veterinary inspectors, but they are being prosecuted while DEFRA, which is responsible for patrolling and regulating the Pirbright site, is, apparently, without blame. That is patent nonsense. The Secretary of State described farmers as the first line of defence; we cannot go around prosecuting our first line of defence, Secretary of State.

The hon. Member for Eastleigh (Chris Huhne) said clearly that the Government were guilty beyond reasonable doubt, and he is absolutely right. He issued a withering attack on the Government and robustly defended his farming constituents. Sadly, his mind may be on other things at the moment—in particular, persuading the hon. Member for Montgomeryshire (Lembit Öpik) not to vote for him.

The hon. Member for Brigg and Goole (Mr. Cawsey) praised the Government and described his interest in animal welfare. He also described some of the difficulties that his pig farming constituents had had, but failed to make the point that the Government could do a great deal more for animal welfare. Top of that list would be to ensure that the right drugs were available for animals that have caught bluetongue disease—they need steroids, painkillers and penicillin. What is the correct dosage for animals with the disease? What guidance is there? Hon. Members may have seen the excellent article in this week's *Farmers Weekly*; it made clear that lessons from Holland can be learned, but I have not yet seen anything that shows that the Government have picked up on those valuable lessons.

My right hon. Friend the Member for Penrith and The Border (David Maclean) made a brilliant speech. He accused the Government of incompetence, citing at least 13 instances in which they had done the wrong thing because they are obsessed by farm movements and not their own biosecurity. He timed his speech to the moment, and it was a joy to hear him show that, without any reasonable doubt, the Government have been guilty of negligence.

The hon. Member for Morecambe and Lunesdale (Geraldine Smith) rightly mentioned the importance of farm-gate prices. She spoke too about the power of the supermarkets, the speed of single farm payments and of hill farm allowances. She was also right to note the importance of producing our own food.

My hon. Friend the Member for Woking (Mr. Malins) thanked his local people and councillors, and spoke extremely eloquently about Merial. He rightly said that it was entirely DEFRA's responsibility to license, regulate, inspect and fund the Pirbright site. He also mentioned that footpaths had not been closed, something that has caused much distress to all our constituents across the country. It is a great shame that the Government have singularly failed to deliver the joined-up thinking that we were promised. He asked about compensation and about the quality and frequency of inspections, and he wanted to know whether DEFRA was happy about the present arrangements. He made some extremely important points, to which I hope that the Under-Secretary of State for Environment, Food and Rural Affairs will respond when he winds up the debate.

My hon. Friend the Member for Clwyd, West (Mr. Jones) made a lovely speech about his pride in his constituency, and in its farmers and lamb production. He talked about the pathetic prices that farmers now receive—36p a head for certain ewes—and he spoke brilliantly about the legal precedent involved. He attacked the Government's reputation for competence, rightly citing the Prime Minister's cynical manipulation of the process, and he also spoke about accountability and resignations. He said that the farming industry will not forget what has happened.

The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) talked about the price for light lambs for export, and about the huge numbers of sheep being traded in Wales. Citing the Rylands *v.* Fletcher judgment, he made the case that liability lies with the Government. My notes are a little shaky, but I suspect that he meant that the person performing an action must take responsibility for it. That means that it is the responsibility of the regulatory body to ensure that none of its sites leak diseases, and especially not one as important and dangerous as FMD.

My hon. Friend the Member for Guildford (Anne Milton) thanked the Government for briefing her and keeping her in touch. Her approach was very reasonable, and she quoted from Spratt about the long-term leakage problems. She made a very good case about the state of the pipes, rightly saying that the Government had failed to keep them in good condition. She said that the Secretary of State was wriggling on a hook—quite generous, given what I saw of his performance. She also mentioned the lack of integrity on display, and I suspect that she might have been a bit tougher if the right hon. Gentleman were a less popular Minister, as this was not his finest hour.

The hon. Member for Westmorland and Lonsdale (Tim Farron) said that the damage done to the farming community by an outbreak at this time of year was like an attack on retail at Christmas time. He was absolutely right: all livestock farmers will have had a terrible time, and that is certainly true in my constituency. The price of lamb has collapsed, and the ripple effect will hit the beef price as the year goes on. He added that Labour had no rural representation in the Chamber, and it was unfortunate to see that there were no Labour Back Benchers listening to his speech.

*[Bill Wiggin]*

My hon. Friend the Member for Braintree (Mr. Newmark) made an excellent speech, in which he claimed that the Government were speaking with a forked tongue. I suspect he was making his speech with a silver tongue—[HON. MEMBERS: "Oh!] I accept that this is an extremely serious matter about which we should not joke. My hon. Friend also told the House about how vets and farmers in his constituency had been kept very short of information. He took an intervention from my hon. Friend the Member for Windsor (Adam Afriyie) who talked about cattle falling from the back of lorries. Obviously, the Government's handling of these things leaves a lot to be desired.

I started asking questions about bluetongue as long ago as 16 April when the Government seemed confident that they could handle any outbreak of the disease. Sadly, that has not proved to be the case. The virus has spread to 36 farms, 60 infected animals have tested positive since the first case on 28 September and now the disease is present in sheep.

The Secretary of State suggested that a vaccine will be available in the summer. I hope that is true and that the Minister will confirm that information. I understand that 36 scientists should be working on producing the vaccine at Pirbright, but obviously they are not because of the lack of the right heat filter.

Lord Rooker told my noble Friend Baroness Byford that DEFRA and its partners have been undertaking

"a cost analysis of potential bluetongue outbreaks and control measures in the United Kingdom".—[*Official Report, House of Lords*, 29 March 2007; Vol. 690, c. WA291.]

Has any work been done to examine how the disease is being handled in Holland? I have already mentioned the article in *Farmers Weekly* and I hope the Government will look at it and reflect on what they can do to improve animal health in the UK.

What did the Prime Minister say when he was told about the foot and mouth outbreak? How did he react after coming back from his holiday to go on the radio on 8 September to tell everybody what his Government were going to do only to discover that the disease had broken out again?

There is another thing that is not quite right. The Under-Secretary of State for Environment, Food and Rural Affairs said:

"Any issues relating to the funding of the effluent system, whether remedial or replacement, would be a matter for the IAH and Merial...the Biotechnology and Biological Sciences Research Council...and the Department for Innovation, Universities and Skills."—[*Official Report*, 9 October 2007; Vol. 464, c. 450W.]

Nobody has mentioned their role. Have they been asked to contribute to the fund the Government have put together to help farmers? If they have, how much have they put in? After all, the Minister said that they were among the people responsible. We need to know who he thinks is responsible for the escape of the virus. We know from the Spratt report that the Pirbright site is not up to scratch and that the proposal made to DEFRA in 2004 was ignored. It is important that we have answers from the Minister.

I realise that we are running out of time, but it is worth reminding the House that the bill for foot and mouth so far is £250 million. The single farm payment fine was £305 million. Bovine tuberculosis has cost £100 million. So far, that is £650 million of incompetence. Apparently, it costs about £240 million to build a 400-bed general hospital. We could have had nearly three hospitals if DEFRA had been competent.

The Department has failed to offer protection in the areas for which it is responsible. DEFRA has failed the people who trusted it and it has failed the test of competence.

4.28 pm

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jonathan Shaw):** This has been an important debate for our agricultural industry and our farming communities. It follows the statement made by my right hon. Friend the Secretary of State on 8 October, when he brought the House up to date with what had been happening over the summer in terms of foot and mouth and bluetongue.

During that period, we worked closely with farmers and their leaders. We are grateful for their co-operation. We are acutely aware of the pressures they face from the FMD and bluetongue outbreaks, which happened, as many Members said, at one of the worst possible times for livestock farmers. We shall maintain that close working relationship. As my right hon. Friend said, we shall organise a meeting for Members next week to discuss bluetongue and answer questions.

Members made many points about FMD, with particular reference to Pirbright. Questions were put about the drains and the letter we received on 20 July. Did that letter say that the drains were damaged or in a poor state of repair? No, it did not. Was the work of the inspectors criticised in any of the reports? No, it was not. Was the age of the drains in any way connected with their possibly being damaged? No, it was not. Were we asked to fund new drains, because of damage? No, we were not—not at all. Did Spratt or the HSE comment on the work of the inspectors? Did they say that the inspectors' work was incompetent?

**Mr. Peter Ainsworth:** Will the Minister give way?

**Jonathan Shaw:** No, I will not give way; I have not got sufficient time. *[Interruption.]* I am not frit; I have got a lot of issues to get through.

We are putting in funding; we have given £31 million. If there was a priority and the people at Pirbright knew about it, they would have used part of that money to ensure that the drains were repaired. We gave them those resources. I was asked by the hon. Member for Woking (Mr. Malins) whether we would continue to fund that investment at Pirbright, and I can assure him and the House that we will continue to consider that investment.

On handling, three times a day, we had "bird tables", to which some hon. Members came along and saw DEFRA and all our partners—from industry representatives to the Royal Society for the Prevention of Cruelty to Animals—working hard together for the farming community. We held regular meetings with the

industry. There was good dialogue with the devolved Administrations. We made every attempt to inform Members of Parliament.

The hon. Member for South-East Cambridgeshire (Mr. Paice) mentioned animals being shot from helicopters. If he will provide us with that information, we will be very interested to see it, because my officials can find no information to that effect.

On footpaths, we followed the science at every stage in the decisions that we took, and our contingency arrangements have been agreed since the 2001 foot and mouth outbreak. We learned those lessons; we have the contingency arrangements, which are not just written by DEFRA, but consulted on every year and laid before the House. All the industry and its representative groups play a part in being involved in drawing up those contingency arrangements, which we follow. People were concerned about footpaths, but we followed the science. I attended public meetings in Surrey; we listened to the concerns of the local community, and we closed those footpaths.

The hon. Member for Leominster (Bill Wiggin) asked what we are doing to develop a bluetongue vaccine. We have been discussing that with other European member states that have the disease, and we will work in partnership with them and the Commission to find a vaccine for it.

Hon. Members have made many points, and I will try to crack through as many of them as I can. The right hon. Member for Berwick-upon-Tweed (Mr. Beith) asked when hill farm payments would be made. We said that payments are scheduled to start in early November and will be subject to EU state procedures, but we want to get those payments to hill farmers as early as possible and hope to do so in November.

My hon. Friend the Member for Brigg and Goole (Mr. Cawsey) said that he supported the swift action taken by my right hon. Friend the Secretary of State—action that was endorsed by the British Veterinary Association. He spoke about animal welfare and the high welfare standards of the pig industry in his constituency. We will maintain our dialogue with the pig industry and work with it to find solutions.

The right hon. Member for Penrith and The Border (David Maclean) put his 12 charges to the Government. He said that it was all down to DEFRA all the time, but we have had our contingency arrangements since 2001, and they were drawn up after the involvement of industry and partners right across the sector.

My hon. Friend the Member for Morecambe and Lunesdale (Geraldine Smith) referred to Mr. Birkett, a farmer, and the Lancashire NFU. She asked for single farm payments to be made as quickly as possible. I am sure that she will appreciate the difficulties that the Rural Payments Agency has had. We want it to ensure a smooth operation and we do not want to expose it to anything that will jeopardise its full recovery, but we will get those payments to farmers as soon as we possibly can.

The hon. Member for Woking spoke about the Institute for Animal Health, Merial and his constituents. We had many conversations throughout early August. He has made his criticisms—I have heard them—but I would like to commend him on the work that he did in representing his constituents.

The hon. Member for Clwyd, West (Mr. Jones) spoke with passion on behalf of his constituents and about the difficulties that farmers are facing. We need to restore the markets so that prices increase.

The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) talked about hill farmers, and I have said that we want payments to get to them as soon as possible. He also mentioned bluetongue—we need to put suitable arrangements in place. We have our contingency plans and we are working with other member states to ensure that we can find a solution and a vaccine. We have spoken to supermarkets and hope that they will listen to our comments, as well as to his remarks and those of all other hon. Members—

**Mr. Patrick McLoughlin** (West Derbyshire) (Con) *rose in his place and claimed to move,* That the Question be now put.

*Question,* That the Question be now put, *put and agreed to.*

*Question put accordingly,* That the original words stand part of the Question:—

*The House divided:* Ayes 232, Noes 280.

**Division No. 211]** **[4.36 pm**

**AYES**

| | |
|---|---|
| Afriyie, Adam | Conway, Derek |
| Ainsworth, Mr. Peter | Cox, Mr. Geoffrey |
| Alexander, Danny | Crabb, Mr. Stephen |
| Amess, Mr. David | Curry, rh Mr. David |
| Ancram, rh Mr. Michael | Davey, Mr. Edward |
| Atkinson, Mr. Peter | Davies, David T.C. *(Monmouth)* |
| Bacon, Mr. Richard | Davies, Philip |
| Baldry, Tony | Djanogly, Mr. Jonathan |
| Barker, Gregory | Dorrell, rh Mr. Stephen |
| Baron, Mr. John | Dorries, Mrs. Nadine |
| Barrett, John | Duddridge, James |
| Beith, rh Mr. Alan | Duncan Smith, rh Mr. Iain |
| Bellingham, Mr. Henry | Dunne, Mr. Philip |
| Bercow, John | Ellwood, Mr. Tobias |
| Beresford, Sir Paul | Evennett, Mr. David |
| Binley, Mr. Brian | Fabricant, Michael |
| Bone, Mr. Peter | Fallon, Mr. Michael |
| Boswell, Mr. Tim | Farron, Tim |
| Bottomley, Peter | Featherstone, Lynne |
| Brady, Mr. Graham | Field, Mr. Mark |
| Brake, Tom | Foster, Mr. Don |
| Brazier, Mr. Julian | Fox, Dr. Liam |
| Brokenshire, James | Francois, Mr. Mark |
| Browne, Mr. Jeremy | Fraser, Mr. Christopher |
| Browning, Angela | Garnier, Mr. Edward |
| Bruce, rh Malcolm | Gauke, Mr. David |
| Burns, Mr. Simon | George, Andrew |
| Burrowes, Mr. David | Gibb, Mr. Nick |
| Burstow, Mr. Paul | Gidley, Sandra |
| Burt, Alistair | Gillan, Mrs. Cheryl |
| Burt, Lorely | Goldsworthy, Julia |
| Butterfill, Sir John | Goodman, Mr. Paul |
| Cable, Dr. Vincent | Goodwill, Mr. Robert |
| Cameron, rh Mr. David | Gove, Michael |
| Carmichael, Mr. Alistair | Grayling, Chris |
| Carswell, Mr. Douglas | Green, Damian |
| Cash, Mr. William | Greening, Justine |
| Chope, Mr. Christopher | Greenway, Mr. John |
| Clappison, Mr. James | Grieve, Mr. Dominic |
| Clark, Greg | Gummer, rh Mr. John |
| Clegg, Mr. Nick | Hague, rh Mr. William |
| Clifton-Brown, Mr. Geoffrey | |

Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rowen, Paul
Ruffley, Mr. David
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Young, rh Sir George

**Tellers for the Ayes:**
**Mr. Crispin Blunt and Mr. Richard Benyon**

## NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Godsiff, Mr. Roger
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric

Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Killoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKechin, Ann
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Mr. Gordon
Primarolo, rh Dawn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Ward, Claire
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

**Tellers for the Noes:**
**Mr. Frank Roy and Steve McCabe**

*Question accordingly negatived.*

*Question,* That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *declared the main Question, as amended, to be agreed to.*

*Resolved,*

That this House expresses great sympathy with farmers and the farming industry and acknowledges the difficulties they are facing as a result of the outbreaks of foot and mouth disease and bluetongue; recognises the work that has already been done by the Department for the Environment, Food and Rural Affairs, Animal Health, farmers and their representative bodies and others in containing foot and mouth; agrees that the priority for the Government must be to work with the farming industry and others to support the resumption of market activity as quickly as possible; and notes the steps the Government has taken to deal with what happened at the Pirbright laboratory site.

**Dr. Liam Fox** (Woodspring) (Con) *rose—[Interruption.]*

**Mr. Deputy Speaker (Sir Michael Lord):** Order. Would Members who are leaving please do so quietly?

**Dr. Fox:** On a point of order, Mr. Deputy Speaker. I wonder whether you can give me some guidance. Yesterday, during the defence debate, as reported in columns 719-20 of *Hansard*, I raised the issue of the bonuses being paid to members of the armed forces who are deployed from Iraq to Kuwait or other parts of the Gulf, and I suggested that they would lose money as a consequence, to which the Secretary of State said that that "is not true"—his words in *Hansard*.

I understand that it is true that the bonus is not paid to anyone in Kuwait and that it will not be paid on all operations in support of Iraq and Afghanistan. It is clear that, intentionally or otherwise, the House has not been given the correct information. Will you ask Mr. Speaker to look at *Hansard*, in view of the facts that are available in the House of Commons Library and which have been given to Members in letters from Ministers, to see whether that might be redressed at the earliest possible opportunity?

**Mr. Deputy Speaker:** I understand the point of order that the hon. Gentleman seeks to make. He will be aware that Mr. Speaker always follows the proceedings in *Hansard* very closely. Those on the Front Bench will have heard the comments made by the hon. Gentleman in his point of order, and I am sure that he will, if necessary, find other ways of making the point that he had just made.

## Bullying in Schools

4.53 pm

**The Parliamentary Under-Secretary of State for Children, Schools and Families (Kevin Brennan):** I beg to move, That this House do now adjourn.

I am pleased to open today's debate on dealing with bullying in our schools. This is the first opportunity that the House has had to debate these issues since we announced our new package of measures to help schools tackle bullying, "Safe to Learn: Embedding Anti-Bullying Work in Schools", in September.

The safety and well-being of children and of the professionals who work with them is a top priority for the Government, as I know it is for Members in all parts of the House. Our commitment is reflected in the new public service agreement to improve children and young people's safety, of which bullying is one of the four underpinning indicators. This indicator is measured using the Ofsted "Tell Us" survey, which talks to children and young people about their experiences of bullying.

The starting-point of our policy on bullying is that every child has the right to a good education as well as the right to feel safe and secure as they learn. That is not just our concern as the Government; it is the concern of parents, teachers and young people themselves. Schools should be safe places for children and young people. They should be communities founded on tolerance, understanding and mutual respect and they should be places where it is safe to learn and also safe to teach. Those are the principles that are fundamental to improving attendance and developing young people as healthy and happy individuals, while ultimately raising academic standards as well. In contrast, those affected by bullying can suffer not just in the most obvious way, but in their studies, so where bullying does occur, schools must deal with it quickly and decisively.

The new measures that we have introduced are designed to help parents, pupils and teachers to tackle bullying on three fronts. It is important to have robust anti-bullying policies in schools. "Safe to Learn", the guidance to which I referred earlier, gives school staff practical advice and effective strategies and approaches to prevent and challenge bullying. It also offers information for schools working together with parents to support those who have suffered from bullying, engaging the whole school community in the fight against it. In addition to the new guidance, we have developed targeted support for particular schools through the national strategies, while regional advisers are sharing good practice and helping schools to improve their anti-bullying policies.

Through our partnership with the Anti-Bullying Alliance, which we also fund, we provide further support to schools through regional co-ordinators who can provide advice to local authorities and schools. With the support of the main teacher unions and professional associations, we have issued the anti-bullying charter to help schools draw up effective policies and evaluate procedures.

**Mr. Barry Sheerman** (Huddersfield) (Lab/Co-op): When the Select Committee on Education and Skills looked into bullying, we discovered that when bullying takes place in schools, it is quite difficult to know how bad the situation really is without a national system of registration. I thought that Ofsted's report this week was rather complacent about bullying and did not pay much attention to it. Given that we pointed out that difficulty to the Department, are the Government having any second thoughts about it?

**Kevin Brennan:** I thank my hon. Friend for his intervention and for the important work that his Select Committee does on the issue of bullying and education more widely. As he is aware, our view is that it would be wrong to overburden schools with statutory requirements on reporting, but we expect them to collect and record information about bullying incidents, which we believe is best used on a local basis. There are some technical difficulties in achieving absolute consistency in the recording of bullying, but a toolkit is available from the Anti-Bullying Alliance, which should help schools follow best practice in the recording of these incidents.

**John Penrose** (Weston-super-Mare) (Con): Is it not true that bullying is one of the most under-reported problems in schools? Whether or not there is a consistent way of measuring it across the country is always less important than establishing an environment in which pupils who are victims of bullying feel able to report it to someone so that proper action can be taken.

**Kevin Brennan:** Yes, the hon. Gentleman is absolutely right. It is far more important to embed an anti-bullying culture in our schools that will make children and young people confident that systems are in place so that when bullying is reported, appropriate action will follow. The updated guidance—I shall talk about its new additional parts later—provides the right sort of framework to create that sort of culture. Speaking as a former teacher, albeit many years ago, I am aware that there was occasionally in the past a culture within schools that bullying was something that the school management should deny could possibly be happening in their institution. That is understandable because of their fears about the school's reputation, but I think we have now moved on to acknowledge that bullying takes place in every institution, not just in schools. It is important for that acknowledgment to be acted on, which is what the guidance is all about.

**Angela Watkinson** (Upminster) (Con): Is not one of the problems the fact that bullies will almost habitually deny having done anything wrong, and it is often difficult to gather evidence to substantiate a claim? Parents will defend a child who they cannot believe could be guilty of bullying, and finding out exactly what has happened can be quite a complex process.

**Kevin Brennan:** The hon. Lady is right—and, of course, bullying is not always physical. The position can be especially difficult when psychological bullying such as teasing is involved. A good policy in schools and the following of guidance will raise awareness, helping professionals to be more alert and spot signs of bullying in both those who are being bullied and those responsible for the bullying.

**Mr. Stewart Jackson** (Peterborough) (Con): The Minister is making an interesting case, but is not bullying most prevalent in a culture of ill-discipline? Does he share my concern about the fact that, according to figures produced in the past year, more than 10 per cent. of children at no fewer than 1,587 schools have been excluded? Should the Minister not focus on that wider issue?

**Kevin Brennan:** The hon. Gentleman is right to say that behaviour is very important. Every Ofsted report over the past 10 years has shown an improvement in the number of schools that are meeting either "very good" or "satisfactory" standards of behaviour. However, we want to go further. We want to raise the bar in terms of behaviour, as we have made clear in the new Department for Children, Schools and Families. I hope that if that results in a change in the statistics, the hon. Gentleman will support our action. We think that behavioural standards are as important as academic standards, because one feeds into the other.

**John Bercow** (Buckingham) (Con): According to the evidence, 41 per cent. of gay children in schools are beaten up and no fewer than 17 per cent. of them receive death threats. Will the Minister tell us how the revised and strengthened guidance will promote action to counter that phenomenon, especially in the light of the growth of faith schools in which there is often a very strong and traditionalist ethos in regard to sexual practice? If that is not dealt with by good guidance, it could lead to a bullying and homophobia that most of us in the House would regard as abhorrent.

**Kevin Brennan:** I pay tribute to the hon. Gentleman for his long-standing record in the House on this subject. He and I collaborated in the most positive way on the Bill that became the Adoption and Children Act 2002, and his long-standing record includes having moved his own party in the same direction in relation to homophobic bullying and equal treatment of people with a gay orientation. I will deal with his intervention a little later in my speech.

More than three quarters of secondary schools and more than 50 per cent. of primary schools are already using the anti-bullying charter. Clear procedures, coupled with a strong message from heads and teachers that bullying will not be tolerated and that schools will apply disciplinary sanctions to perpetrators, is the key to instilling confidence in parents and pupils. The guidance and the charter are invaluable tools that will help heads and teachers to develop the approach that works best for their schools, in order to deal with the problems and challenges specific to them. The advice is now backed by strengthened legal powers to enable heads and teachers to tackle bullying.

The Education and Inspections Act 2006 has made absolutely clear that teachers who are in charge of pupils have the necessary legal backing to discipline pupils for bad behaviour, including bullying. The Act gives teachers clear legal backing for confiscation of items such as mobile phones from pupils when they are used to cause disruption or bully other pupils. Heads now have clear legal backing to regulate the conduct of pupils outside the school gates where appropriate, including applying sanctions on their return to school. Those powers are important and, taken together with the guidance, provide an effective framework to help to tackle any problems of bullying. However, as the world changes, so does the nature of bullying. Keeping up with the evolving problems that bullying presents and giving good advice to tackle specific forms of bullying is our next defence against the problem.

As you will be aware, Mr. Deputy Speaker, last year we produced our guidance on bullying around racism, religion and culture. We have added to that this year by producing new guidance to tackle homophobic bullying. I am pleased to say that it has received a very warm and wide welcome. We know from surveys that homophobic bullying is common, yet anti-gay remarks are rarely treated with the same seriousness as, for example, racist remarks in schools. It is important that all school staff know how to challenge homophobic remarks, including the use of the word "gay" as a term of abuse.

I am absolutely delighted to confirm that the approach that permitted the introduction of section 28 is now well and truly gone from our politics. I think that that is welcomed on both sides of the House.

**Stephen Williams** (Bristol, West) (LD): The Minister mentioned the importance of language and the use of the word "gay" as a term of abuse to suggest that something is second-rate or derisory. What sort of message does he think the BBC sends out when it allows leading disc jockeys, who are listened to by a large number of young people, to use the word "gay" in a pejorative sense? The BBC says that that is acceptable because the BBC has to reflect 21st century use of language. That is the excuse that I got back from the then director-general of the BBC when I wrote to complain about it.

**Kevin Brennan:** I do not wish to refer to any particular individuals in responding to the hon. Gentleman but as he may be aware I have made it clear in public remarks on the matter that I regard that as highly unfortunate. It is my view that it is unacceptable for the word to be used in that way. It is particularly important for high-profile figures to remember that.

Where section 28 hampered teachers from using their professional judgment to discuss with students sensitive issues around sexual orientation, the new guidance on homophobic bullying, which has been developed in collaboration with Stonewall and Educational Action Challenging Homophobia and in broad consultation with all interested parties, including faith groups, gives teachers for the first time specific advice to help to challenge and to change homophobic attitudes, while supporting and affirming gay, lesbian and bisexual pupils, and their right to be themselves without being bullied.

The guidance provides schools with advice on how to use the curriculum to encourage a climate of respect to ensure that gay pupils and gay teachers are fully included as part of the school community and that those pupils also excel at their studies. Next year, we will go further by issuing new guidance for schools on how to prevent and to tackle bullying of children and young people with special educational needs and disabilities. I know that the hon. Member for Buckingham (John Bercow) also has that as one of his top priorities.

*[Kevin Brennan]*

Bullying is not new, but there are new forms of bullying, or rather new means to bully. As technology rapidly develops and is more easily accessible, bullies have made cyberspace their new playground. Cyberbullying is a particularly insidious and harmful form of bullying, as it reaches into people's homes and direct to their mobile phones. There are various surveys and estimates, but a recent study by the Department for Children, Schools and Families indicated that about a third of 12 to 15-year-olds report having experienced cyberbullying in some form.

Some incidents will be more serious than others. The use of the term "happy slapping" is as much a misnomer for what it represents as the term "joyriding". There is nothing happy about being assaulted, but then for the assault to be recorded and shared with others is simply wrong. Cyberbullying can also take the form of abusive texts, e-mails and messages on social networking sites. Of course, it is not just pupils who are affected by cyberbullying. Teachers can be victims, too, with serious consequences for their motivation, job satisfaction, and classroom teaching.

Through the cyberbullying taskforce, we have now brought together the industry, education professionals and law enforcement agencies to take forward a programme of work to tackle cyberbullying. I am particularly pleased that the industry is starting to face up to this problem by participating in the work. Many of the companies in this industry started off as small unregulated operations with a culture averse to any so-called "censorship", but they have to understand that as their businesses grow up, their culture must do so also. Those companies have a corporate social responsibility to the young people who use their services. It is essential that they understand that. That is why I am so pleased that many of them are participating in our cyberbullying taskforce.

**Chris Bryant** (Rhondda) (Lab): My hon. Friend has referred to instances of cyberbullying. As he knows, there are legal remedies against harassment under legislation that we introduced in the past 10 years, and they are often used by adults. Is it not now time for schools to consider further legal remedies that children and teachers might take?

**Kevin Brennan:** In our view, there is no need for any new offences to be created in relation to cyberbullying because the law is adequate. I absolutely support the right of schools to take legal action in such circumstances, where appropriate. As I have said, the companies who provide the services have a responsibility to ensure the removal of any offensive material that constitutes the bullying of pupils or teachers, even where it stops short of being illegal.

**John Bercow:** Sadly, the bullying of children with special educational needs is all too common, and it is extremely welcome that the Government intend to produce specific guidance on that. Regardless of whether one uses the word bullying or the more accurate term of "inadvertent unfairness", there is a problem among some teaching staff. Because they have not received training in handling such children—those with speech, language and communication difficulties, for instance, or those on the autistic spectrum—they wrongly mistake as bad behaviour the actions of a child who simply does not understand what is expected of him or her. Help is needed in that regard as well.

**Kevin Brennan:** The hon. Gentleman is absolutely right; he and I have discussed that matter outside the confines of the Chamber. His point also provides another reason why it is wrong to exclude pupils from school without appeal: there will be occasions when the behaviour concerned is linked to a disability or condition that the pupil has, and that should be properly taken into account.

**David Lepper** (Brighton, Pavilion) (Lab/Co-op): I welcome the Minister's comments on the engagement of the industry in addressing cyberbullying. However, does he not share my concern that instances of bullying are sometimes posted on websites that originate outside this country, and that there is therefore an international dimension that probably requires the involvement of not only his Department, but others as well, in trying to get an international agreement to deal with the issue?

**Kevin Brennan:** That is absolutely right. There is an issue to do with the first amendment of the American constitution; many of the websites concerned are hosted in the United States. We are governed by European law.

Let me also say this in response to my hon. Friend's point: many of the companies that advertise on such websites would be horrified to learn that their brand was appearing next to the kind of content we are discussing. While we are doing all we can internationally to get appropriate regulation, we could also influence websites by pointing out to some of the major brands where their advertising is appearing, and what content it is appearing next to. That is one way in which we might apply pressure where we do not, strictly speaking, have jurisdiction.

We also commissioned Childnet International to produce our cyberbullying guidance, which provides schools with advice on safe and responsible use of the internet, on how to prevent cyberbullying in the first place, and on what action to take to get images or text taken down from websites. The hon. Member for Buckingham (John Bercow) referred earlier to sometimes inadvertent bullying, and our new online campaign, called "Laugh at it and you're part of it", aims to make young people more aware of the fact that viewing offensive content, even if they have not generated it, sending messages and thereby passing such content on, and laughing at it makes them part of the bullying, That is a very important message to get out to young people who might otherwise think that such behaviour is harmless, and who do not associate it with real suffering on the part of an individual.

It is important that the "Safe to Learn" guidance, including the cyberbullying and homophobic bullying guidance, is put into practice. I have therefore asked the Anti-Bullying Alliance and the national strategies to work with local authorities and schools to ensure that the guidance is being embedded effectively, and we will be closely monitoring how it is used.

That brings me to the third front on which we can fight bullying—by empowering the pupils and the victims themselves. Giving young people the facts about bullying and how to protect themselves is crucial, but we must also equip them mentally and emotionally with the resources and resilience that they need to recognise offensive behaviour, to stand up for their rights and those of others, and to understand others' feelings and resolve conflict themselves.

Since coming back into education as a Minister, having left it in 1994, I have noticed that, as everybody involved in education will recognise, all the acronyms have changed. I have decided that we need a new word in the English language to describe all the acronyms that we no longer use: "anacronym", which means an anachronistic acronym. I want to tell the House, however, about a new acronym: SEAL, which stands for the social and emotional aspects of learning.

SEAL is a programme that allows pupils to explore some of these issues in the classroom and to find solutions to deal with them. In my view, every good school is based not just on a good record of attainment and a firm grip on bad behaviour, but on leadership and positive values. SEAL contributes to that value system by promoting tolerance and respect throughout the whole school, and by facilitating better relationships between staff and pupils. It is not a soft option—it is a valuable lesson for life. I believe firmly that, unless we help to strengthen the emotional intelligence of our young people in this ever-changing and hectic world, we will find it harder to develop their academic intelligence, too.

**Mr. Sheerman:** Much of what my hon. Friend has been speaking about regarding Government action on this issue is first class. However, does he agree that one real problem is that, if we do not give leadership to young people in our schools, we will never keep pace with and crack bullying? The only school in which I have seen that achieved is the Blue school in Wells, in Somerset. It empowers students to deal with bullying through active citizenship, which really cracks the problem. That is the only way in which I have seen bullying expunged.

**Kevin Brennan:** I have heard of the work of the Blue school in Wells, and of its school council. I know that my hon. Friend has visited the school and seen what happens there. He is absolutely right: it is by creating a culture of empowerment among young people that we will really get to grips with this problem.

**Chris Bryant:** There are two elements that my hon. Friend has not referred to—the family and the youth service—and although he might say that that is because this is a debate about bullying in schools, they are material to this subject. In fact, a lot of the bullying that happens around schools happens away from the school premises itself and is part of kids' life. The youth service can make a dramatic difference by enabling kids to face up to these issues in a non-academic environment. Also, nearly every bully is the child of a bully, and if we are unable to tackle some of the parenting problems in society today, do we really stand a chance of weeding out bullying?

**Kevin Brennan:** I do not want to stray too wide, and my hon. Friend is right that we could get into a debate about extended schools, the work that we are doing with parents and so on. That would be going a little wide of the mark, and I know that you are strict in your observance of these matters, Mr. Deputy Speaker. Suffice it to say, my hon. Friend is, as usual, correct in his observations.

Some 60 per cent. of primary schools have implemented the SEAL programme, and it is just being introduced in secondary schools following a successful pilot project. We have provided £10 million of funding between 2007 and 2011, with the aim that every school will be in a position to use the programme by 2011. My Department also funds ChildLine in Partnership with Schools—CHIPS; it is the only instance when we actively encourage chips in schools these days. Through that programme, pupils are encouraged to become peer mentors or supporters. Pupils who are being bullied will often prefer to talk to one of their peers before talking to an adult.

**Mr. Stewart Jackson** (Peterborough) (Con): The Minister has been generous in allowing interventions, although he has been speaking for 27 minutes. I might have missed something, but I do not think that he has mentioned two words: "parents" and "guardians". Perhaps he is remiss in that.

This issue was touched on by the hon. Member for Rhondda (Chris Bryant) and at one stage I thought that I might agree with him for once. What about having active policies to engage and support the parents of bullied children in schools and, just as importantly, the parents of children who are doing the bullying, who are often shocked and dismayed by the behaviour of their children?

**Kevin Brennan:** That is important. I believe I had mentioned parents, although perhaps I did not use the words "guardians". We can develop this theme during the course of the debate, and I am conscious of the amount of time that this speech has taken, but I should say that we are funding organisations that do work in this area, including Parentline Plus.

We have had SEAL and CHIPS in this debate, which is an interesting combination. CHIPS, another acronym, runs mediation, befriending and listening-based schemes, which allow children and young people to support each other. Through these schemes, pupils can take responsibility for promoting good behaviour, preventing bullying, and helping to keep their peers safe.

I have been admonished for talking for a long time, even though I have given way several times, so I shall wind up by saying that I am confident that these new measures will give teachers, parents and pupils the resources, and the confidence, to deal with bullying. I hope that members of the House will agree that they are a significant step forward in tackling bullying in all its forms.

5.22 pm

**Mr. Nick Gibb** (Bognor Regis and Littlehampton) (Con): This is an important debate, in which there is unlikely to be a huge difference of opinion between the

*[Mr. Nick Gibb]*

Opposition and the Government. We welcome the various guidance that has been issued by the Department, in particular the "Safe to Learn" guidance. Poor behaviour in schools is parents' No. 1 concern about schools—it even comes before concerns about standards, although one tends to affect the other. Bullying is the sharp point where poor behaviour in a school acts directly and painfully upon an individual, and we are all too familiar with the consequences. The Select Committee on Education and Skills reported on bullying earlier this year. It said that the effects of bullying cause a

"number of problems ranging from general unhappiness, poor concentration, low-self esteem, psychosomatic symptoms and anxiety to depression, self-harm or suicide."

Data on the extent of bullying in schools is sparse, as the Chair of the Select Committee, the hon. Member for Huddersfield (Mr. Sheerman), said in his intervention on the Minister. The Home Office's offending, crime and justice survey examined the proportion of 10 to 15-year-olds who were victims of theft or assault. Some 25 per cent. said that they had suffered an assault, 14 per cent. with no injury and 11 per cent. with an injury. Of those who had suffered an assault with injury, 61 per cent. said that it had taken place at school, and of those who had suffered assault without an injury, 68 per cent. said it had taken place at school.

Ofsted's 2003 report into bullying mentioned a survey by Professor Peter Smith, whom the hon. Gentleman interviewed during the course of drawing up his report. That survey, conducted in 1999, said that

"between 10 and 20 per cent. of pupils interviewed in England had been bullied in the six months prior to the survey."

Ofsted also found that surveys of children and young people suggest that bullying in schools is more common than adults sometimes think.

That view was also reflected in the Select Committee report, which cited evidence from Barnsley council's children's services scrutiny committee, which found that

"only 18 per cent. of parent governors and governor chairs felt that bullying was a problem in their schools compared with 64 per cent. of pupils."

The NSPCC points out that between April 2006 and April 2007, Childline counselled 37,500 children about bullying, and that bullying is the primary reason for children calling the service in the past 11 years.

Whatever the data, it is fair to say that the problem is extensive, but that several initiatives by the Government and voluntary bodies and charities, such as Beatbullying and the Anti-Bullying Alliance, have had some modest success in changing the culture in many schools to one in which bullying is no longer seen as acceptable. Initiatives such as peer mentoring and clear anti-bullying school policies, set down in writing, must be part of that approach and we welcome all the initiatives that the Government have undertaken.

**Mr. Sheerman:** We all hate bullying and we are all keen to have anti-bullying policies, but the Select Committee found that not enough research had been done before the policies were introduced. We did not find enough evidence of thorough research on which to base the policy.

**Mr. Gibb:** Yes, I took that important point from the report. Good research in education policy generally is crucial, and many of the problems in education have arisen from a lack of proper, scientifically conducted research. However, I also share the Minister's view that we do not want to impose too high a burden on schools in recording and reporting data for policy-making purposes, although if schools are taking a thorough approach to bullying, the data should be available as part of the way that they deal with the problem.

Bullying is an especial concern for children with special needs, as my hon. Friend the Member for Buckingham (John Bercow) said. According to the National Autistic Society, two in five parents of children with autism have said that their child has been bullied in school. For children with Asperger's, that rises to three in five. Mencap has said that eight out of 10 children with a learning difficulty have been bullied—80 per cent.

Bullying is clearly linked to the general level of behaviour in schools. A school in which behaviour is out of control or poor is likely to have a higher level of bullying than one where standards of behaviour are high. Ofsted's first recommendation in its 2003 report suggested that schools should

"Maintain the momentum on action against bullying through initiatives to improve attitudes and behaviour in schools generally."

Poor behaviour in schools remains a major problem. It is one of the key reasons teachers give for leaving the profession. In too many schools, the prevalence of so-called low-level disruption goes unchecked and remains a fact of life. I have seen it first hand and I hear horror stories from heads who have successfully taken over failing schools.

**John Bercow:** I agree with what my hon. Friend has said, but does he agree that the very prevalence of bullying in schools of children with special educational needs underlines the importance of continuing and extending the drive to ensure that special educational needs co-ordinators are, as a matter of course and as the norm, not the exception, part of the senior management of the school, driving forward the anti-bullying policy?

**Mr. Gibb:** I agree with my hon. Friend. I have heard tragic stories of children with special needs who have suffered terribly from bullying in mainstream schools that went unchecked. I met a nine-year-old boy at Cedar Hall school in Benfleet, which is a special school for children with moderate learning difficulties, who had been suicidal at his previous school. It is tragic that a child of that age should try to throw himself from a moving car on the way to school because he was so miserable there. One wonders what was happening in that mainstream school if that poor child was being bullied so remorselessly that he threw himself down the stairs at home and tried to get out of a moving car on the way to school. That prompts questions about inclusion and the policy to close down special schools.

Heads who manage to change the behaviour in their schools do so through a rigorous and uncompromising approach to discipline. The rules are clear and enforced consistently. In one school that I visited in Milton Keynes, one of the assistant heads walks the corridors of the school during lessons with a mobile phone. If a teacher has a problem with a child in class, he or she calls the assistant head who takes the child away. Consistent punishments are applied to such a child, so that every child in that school knows precisely what will happen. As a result, behaviour at the school is excellent. At a secondary modern school in Trafford, I saw a boy wearing trainers being told to go home and change into black shoes or stay in isolation all day—a strict school uniform policy strictly enforced.

It is unfair to blame poor behaviour on the intake of a school. Whatever the background of a child, the school should provide a safe and structured environment. I know of schools in challenging areas that have superb behaviour, and schools in leafy suburbs where behaviour is out of control. Eston Park school in Middlesbrough is an outstanding school serving a relatively deprived area. Student behaviour at that school is, according to the most recent Ofsted report, excellent.

At Mossbourne academy in Hackney, 50 per cent. of the intake qualify for free school meals but behaviour is exemplary. Children stand up when an adult enters the classroom, and the atmosphere is one of calm studiousness. Three members of the teaching staff are on duty in the canteen at lunchtime—one in the queue, one where the food is served, and one supervising the tables—and teachers eat with the students. In the playground, I saw five members of staff on duty. That is consistent with Ofsted's observation of what constitutes an effective strategy to deal with bullying. It notes on page 13 of its report:

"Teachers supervised the canteen, encouraging year groups to mix socially... Steps in other schools included introducing more indoor social areas, having more lunchtime clubs and activities".

The prevalence of extensive extracurricular activity is one of the common characteristics of schools that have not only good behaviour, but high standards of academic achievement. Boredom, whether in lessons or at break-times, is a key contributor to the culture of bullying.

I visited one school in Lincoln that had a fantastic atmosphere. The culture and ethos of that school was that it was cool to work hard and study hard. I met one 15-year-old who was wearing a tie that was different from those worn by others around him. It was a worn and slightly tatty tie. I asked him what the different pattern on the tie meant. He said that he was awarded the tie in year seven, when he was 12, because he had scored more than 100 merit points. I asked him whether wearing the tie was not big-headed and might encourage jealousy. He replied that he had earned it, and was therefore entitled to wear it. He said that he had not had any adverse reaction; the contrary was the case.

**Mr. Sheerman:** He was 6 ft 3 in.

**Mr. Gibb:** He was not 6 ft 3 in.

At that school, academic achievement was acknowledged and publicly rewarded, as was sporting prowess and achievement. Too many of our state schools, certainly in the recent past, have been reluctant to highlight excellence on the ground that it might undermine the confidence of those who fail to win. But if a school does not reward academic and sporting achievement, the message is sent that those are not important accomplishments. The vacuum of what is important is filled by others: the toughest kid; the most hilarious child in the classroom; the biggest clown; the biggest bully. Those become the sought-after accolades.

A few years ago, that school in Lincoln had a child with a particular medical condition who underwent a sex-change operation. Pupils there were aware of what was happening, but because of the atmosphere of the school, and the way that teachers handled the matter, the child suffered no bullying or difficulties from other children. I have cited some individual schools, but many other secondary schools have achieved a similar atmosphere in which behaviour is excellent and bullying is at a bare minimum. We need to spread such best practice throughout the school system.

People talk about schools not being responsible for what happens beyond the school gates, and the Minister touched on that issue. I have heard head teachers in schools whose names include the word "community" saying just that, even after the arrival of the new powers under the Education and Inspections Act 2006. However, I recently visited a Cumbria comprehensive whose head said precisely the opposite. When he hears that youths at his school have been causing trouble in town, he finds out who they are and takes action against those perpetrators the next day in school. He believes that his school is very much part of the community.

As the Select Committee reported, bullying often takes place on transport to and from school. The Committee found one school that, after establishing that bullying was taking place on certain buses, arranged for prefects to travel on those buses for a time. That is an excellent practice. However, many comprehensive schools simply do not have prefects. One of the common characteristics of the best performing schools is that they have prefects, a head boy and a head girl. That gives responsibility to young people, but also provides a valuable resource for maintaining good behaviour and clamping down on bullying. If pupils—albeit the older ones—tackle bullying, that can be very effective, as they really know what goes on in the school.

I want to make one final point, which I hope will not be controversial. We tend to grapple for answers to some of the problems facing schools—whether bullying, truancy, obesity, poor literacy or poor ability in maths—individually, with guidance or initiatives. All those are welcome, but our approach tends to be to look at the problems individually and then tackle them. However, it is possible that all such problems have a common cause and that if we tackle that, we will be able to tackle each problem. I think that many such problems have common or at least interlinking causes. A report by the Effective Pre-School and Primary Education Project, or EPPE, was published this year. The report is long, with many interesting findings, one of which is particularly relevant to this debate. The report found that

"Children who attend a primary school identified as more academically effective...show reduced 'Anti-social' behaviour at age 10."

*[Mr. Gibb]*

It defined "academically effective" according to value-added scores, not the raw test results, so it was not simply reporting that schools in middle-class areas had good behaviour. It stated that children at primary schools that provide a high-quality academic education tend to behave better—that there is a link between academic achievement and good behaviour.

There is much merit in that argument. If a child is successfully learning how to read and do maths, if he or she is learning interesting facts about the history of our country, the geography of the world or science, they will be absorbed. If, on the other hand, a child is not taught properly and they are struggling, or the curriculum is dull, they will be frustrated and likely to lash out. From my visits to schools in the past few years, I know that those with a rigorous approach to teaching, and whose curriculum is demanding, knowledge-based and interesting, tend to have well behaved pupils.

**Mr. Sheerman:** I have not heard the words "independent sector" this afternoon, but the hon. Gentleman will be aware that, to this day, bullying is endemic in many independent schools—many famous public schools. Their curriculum is challenging and their prep schools presumably had lots of interesting lessons, but we cannot ignore the fact that there is still obvious evidence of bullying in the independent sector.

**Mr. Gibb:** The hon. Gentleman makes a good point, which was made earlier. Most schools—all schools—have bullying, and it is difficult for any school to claim that it has none, because they deal with individuals who interact with one another. However, from my observation of independent schools—and I have not visited as many as I have state schools—I think that they have the problem relatively under control and are keeping it to a bare minimum. It is a matter of degree. *[Interruption.]* The hon. Gentleman might be basing his assertion on 19th-century novels rather than on what is happening today. I go around such schools and see happy children learning, busy and actively involved in the activities of the school.

That is the key: if children are busy, with their minds stretched by rigorous academic work and their bodies exercised by good sport and other activities, they do not have time to engage in poor behaviour or bullying. I believe that in schools where there is genuine academic study, regardless of ability level, as well as the expectation and delivery of good discipline, there is a buzz that comes from the work. When boredom and malaise prevail, other distractions come to dominate. Mixed-ability teaching, in which children with a wide range of abilities are taught together, is a potent source of the disaffection and boredom that can lead to poor behaviour and thence to bullying.

The attitude in primary school that says that competitive sport is bad, and that there are no individual winners, only winning teams, is not just newspaper tattle. It is evident in thousands of primary schools in this country, and it inevitably renders sport less interesting, and therefore obesity—one of the problems that I highlighted—a threat.

Rather than continually having to tackle the symptoms of poor educational practice, we need to look at what the best performing schools do, and make sure that that best practice is spread throughout all our schools. Bullying is one of those symptoms: its pernicious and damaging nature means that we need the initiatives and policies of recent years to tackle the problem now. However, we should also look more carefully at the causes of bullying to ensure that it is not yet another result of a failed educational orthodoxy.

5.41 pm

**Barbara Keeley** (Worsley) (Lab): A key group of young people who experience bullying at school has not been mentioned in the debate so far. I am referring to young carers: surveys suggest that seven out of 10 of them have been bullied, with eight out of 10 being called names, and five out of 10 being physically hit or abused.

I understand that that level of bullying is much higher than the average, which is that three children out of 10 are normally affected by name calling, with two out of 10 being victims of violence. Most distressing is the knowledge that the bullying of young carers is a regular occurrence: 45 per cent. of young carers say that they are bullied on most days, and 20 per cent. have missed school as a result of being bullied. Indeed, bullying may be responsible for the fact that young carers in our society remain hidden. Who would want to identify themselves as a young carer when to do so would put them in a group treated as different from other young people, and subsequently abused either physically or verbally?

As has been noted already, bullying is a serious issue for all children and young people, but to me it seems much worse that young people with caring responsibilities must bear the additional burden of being bullied by their peers. Part of the difficulty in dealing with that is the extent to which young carers are hidden. The 2001 census estimates that there may be 175,000 carers under 18 in the UK, but many agencies working with young carers believe that that may be an underestimate. We know that 3 million children in the UK have a family member with a disability, that a quarter of million young people live with a parent who is misusing class A drugs, and that at least 1 million are the children of alcoholic parents. Many of those home situations will lead to caring responsibilities for a child or young person.

Surveys of young carers have been carried out by Loughborough university's young carers research project in 1995, 1997 and 2003. They show that, for children and young people aged from five to 18, caring tasks include some child care and domestic tasks. Nearly two in 10 young carers also perform intimate care tasks, such as helping with washing, dressing and toileting. More than eight out of 10 young carers surveyed were giving emotional support to the person cared for, providing supervision of that person's emotional state and trying to cheer them up when they were depressed. The surveys found that young carers who are girls are almost twice as likely to carry out those intimate caring tasks, but that both boys and girls offer high levels of emotional support.

A young carer can start offering care at between five and 10 years old, and can continue to do so for many years. Over 60 per cent. of those surveyed were caring for between three and 10 years, 44 per cent. for three to five years, and 18 per cent. for between six and 10 years.

High levels of caring can clearly have an adverse impact on a young person's education. Just over eight out of 120 young carers care for up to 20 hours a week, while around one in 10 care for between 20 and 49 hours, and about seven per cent. care for more than 50 hours a week. However, caring for even 20 hours a week, or three hours a day, can have an adverse impact on a child or young person. Imagine that when we were young we had to give up as much as three hours a day to carry out the tasks I described earlier. Caring makes a difference to a child's life—at home as well as at school. It affects the child's ability to see friends and will limit their social or leisure activities, such as taking part in team games. At certain ages, it limits the amount of time available for homework or other school work.

Surveys carried out in 1995 and 1997 showed that a high proportion of young carers missed school as a result of their caring responsibilities. There was a gap between 1997 and the next survey in 2003, which interestingly showed that the figures had improved. What made the difference was the fact that young carers projects, of which there are about 200, have started to work with schools. That improvement between 1997 and 2003 is important.

None the less, despite the excellent work of young carers projects, 27 per cent. of all the young carers of secondary school age who were surveyed and 13 per cent. of those of primary school age still said that they experienced educational problems. Perhaps unsurprisingly, the figures are higher for young carers looking after someone who misuses drugs or alcohol. As many as four in 10 of such young carers were having educational difficulties. The figures could be higher, because 1 million children are living with parents who misuse alcohol.

Bullying of young carers happens for a number of reasons. According to the Princess Royal Trust for Carers, young carers report that they are taunted about the condition of the person they care for; if their parent suffers from a mental health problem, for instance, someone might say to the young carer, "Your mother's a psycho". Such bullying is similar to the prejudice-driven bullying to which the Minister and other Members have referred. In some ways, it is similar to the bullying of children with disabilities or other types of special educational need; the young carer becomes a proxy for the person for whom they are caring.

Bullying can occur simply because young carers are different; for example, they do not join in after-school activities. Another key aspect is that financial problems in families who live chaotic lives due to the misuse of drugs or alcohol mean that young carers cannot have the same clothes, games or computers as other young people. Being different—standing out in the crowd—is one of the reasons why children are bullied. As one young carer put it:

> "All my friends are worrying about boyfriends and I am thinking about shopping and paying the bills."

The Salford young carers project told me that children who are carers may also be different because they are not being properly looked after. They may be going to school in a dishevelled state, with dirty clothes or poor personal hygiene and that will make them stand out.

The difficulty is that although many of those problems must be obvious to teachers and other adults at the school, young carers do not want to talk about them. Tony Watton, who manages a young carers project in Nottinghamshire, told me:

> "Young carers don't want to highlight the bullying as it will highlight their situation at home."

He said that it was a vicious circle and was one of the biggest issues dealt with by young carers projects such as his.

A young carers service in north Yorkshire found that 75 per cent. of young carers were not known as such by their teachers. In several surveys, young carers commented that they considered themselves stigmatised by both their teachers and their peers and felt that their schools could and should be more understanding of their situation. Few schools provide counsellors or mentors to support young carers, yet where there are mentors children find their support helpful.

I first encountered young carers and a young carers project in 1996 when I was vice-chair of Trafford social services. The mayor of Trafford picked the local young carers project as his fund-raising charity and a group of us visited it. I recall being astonished when I discovered that children as young as five could take on caring responsibilities for their parents or other family members, and that is still the case today.

I recently spoke at a conference on young carers that was run by the children's services network of the Local Government Information Unit. The children's services network had produced an excellent document on issues for young carers. It seemed to me, from speaking to people from local authorities and schools on the day, that there is knowledge of what constitutes good practice in support for young carers. Over recent years, young carers projects have developed guides for teachers and protocols for social services authorities. I believe that it is now time that we introduced legislation to underline the support that schools should be giving to young carers.

In April this year, I introduced the Carers (Identification and Support) Bill, the second part of which contained provisions that would improve support for young carers. The Bill would require schools and children's services authorities to have in place a policy to support young carers. Further clauses state that local authorities must make sure when assessing needs for community care that adult support services ensure that there is an alternative to relying on the support of a child carer.

In some ways, we are talking about families, and we should recognise not only that such children are suffering at school, missing out on education and being bullied, but that someone from adult social services probably knows about their family and is working with them and has assessed their parents. Yet what is missing once those assessments are done, is that the social services authorities do not ask about the parenting responsibilities of those people. They should ask not just how can they manage in the family, but about their being parents. The Bill would finally require local authorities to have a joint protocol between adult and children's services to ensure that they work collaboratively where an adult has become dependent for support on a young carer. Over the years that I have

*[Barbara Keeley]*

learned more about young carers, I have formed the view that we should say that young caring is not acceptable. We should not accept that young people should have their school lives and leisure time impacted on by caring. In the interim, however, we should take the steps outlined in the Bill.

On 10 July, my right hon. Friend the Secretary of State for Children, Schools and Families said that, when he was preparing for his new brief, he was

"shocked to learn of the 150,000 young people in England and Wales, currently under the age of 18, who are caring for a sick or disabled relative, often a parent".

He also said:

"Social services departments and education authorities in particular need to ensure that those young people are supported, so that they are not excessively burdened, their childhood is not strangled by their responsibilities, and they are given educational priority."—[*Official Report*, 10 July 2007; Vol. 462, c. 1337.]

That is a very worthy aim for a new Secretary of State to espouse in one of his first comments on young carers. However, we are very far from that situation. There were some very knowledgeable people at the recent conference run by the children's services network, but they are only a small group who understand such things.

My right hon. Friend the Secretary of State is not alone in his first reaction to discovering the existence of young carers. We have had debates in Westminster Hall on young carers, and hon. Members have expressed their emotions when they discover all the things that young children are doing. My right hon. Friend is not alone in hearing about those issues, and I hope that his briefing that day included the bullying of young carers that I have raised today.

I accept that young carers still remain largely hidden in our communities. It is a very good thing that, over the years, 200 young carers projects have developed. However, given the number of Members, there is probably not a project in most constituencies, so many hon. Members do not get to see their work. I pay special tribute to those projects for the work that they do, but I recognise that, in many parts of the country, there is no such project working with schools.

The other side of the equation is that, with about 30,000 schools across the UK, we cannot expect to map those 200 young carers projects on to those many thousands of schools, so that they can inform schools about young carers, develop awareness of young carers and take up the young carers support policy. Tomorrow, there is a debate on the third sector, the voluntary sector, and all those organisations are charities. Given their funding and support, we cannot leave all the implementation to them, although they may pioneer good policies. I believe that it is right for the Department for Children, Schools and Families to take on that work.

Carers rights day will be on Friday 7 December and that week the all-party parliamentary group is planning to hold an event in Parliament on young carers. We hope that we can bring in members of the national young carers forum, which has recently been formed, so that they can meet their MPs. I very much hope that my hon. Friend the Minister, who now has responsibility for young carers, will be able to meet some of those young carers. I can relay some of the issues of bullying and the difficulties that they face in schools, but there is nothing better than listening to the young people themselves. The people who take on so much in their lives need to know that MPs and Ministers in the Government understand their issues and will do something about them. I shall write formally on behalf of the group to invite my hon. Friend to the event.

I also hope that the legislation to achieve the aims that I set out in my Bill can soon be introduced to assist young carers and to ensure that their schools recognise and support them more fully in the future. Even without legislation, there are things that the Department might consider and the Minister might take them forward. If we accept that this is very much a health issue and that we have an initiative on healthy schools, I suggest it would be a step forward to make the recognition of, and the taking of action to support, young carers one of the criteria necessary to become a healthy school.

I extend the invitation to meet young carers to Members on both sides. I hope that we can listen to those carers and make it clear that we recognise that they carry a big burden and that that burden includes bullying. We want to do something to alleviate that in future.

5.56 pm

**Stephen Williams** (Bristol, West) (LD): I welcome the fact that the Government have called this debate. This topic receives far too little attention, and whenever we talk about education and the media report on educational matters the focus is usually on school performance, exam results, league tables and so on. We hear far too little about child welfare. Indeed, children often say that the biggest cause of stress for them in school is that they are tested so much. However, the second biggest reason for children feeling stress at school is bullying—either because they have been the victim of bullying or have witnessed it happening to other people.

Bullying undermines every single objective of "Every Child Matters" and, in particular, the aim of ensuring that children are safe and healthy in school and enjoy their time there. Despite what every head teacher will say when we visit them, bullying exists in every school. The National Society for the Prevention of Cruelty to Children statistics have been referred to already and they show that in the most recent year for which figures are available 37,000 children rang ChildLine to ask for support. That is surely the tip of the iceberg.

The nature of bullying has changed fundamentally recently. The Minister mentioned the internet and if one searches on YouTube and puts in the key words "bullying" and "schools", as I have done, one will come up with thousands of hits. Many clips are available on the internet. The misery of bullying was once confined to the school yard or the school bus, but it has been transformed into a spectacle that the entire world can witness. Some of the images on this and other sites are of such shocking violence that if they were of an adult on an adult, they would probably be the subject of criminal proceedings. The owners of the websites are far too complacent; surely they should take down the images at the earliest opportunity.

The Minister and others have also mentioned text bullying. Even a child's bedroom is no longer a sanctuary. If a child suffered bullying at school or on the bus, they used to feel safe when they arrived home. Now, because of modern technology, they can receive a threatening message even when they are at home. I have met representatives of Orange, $O_2$ and Vodafone to discuss what they are doing to find technical solutions to the problem. I hope that a solution can be found soon.

In the past, people might have been bullied because they were the school swot or there was something about their clothes or their appearance, but identity-related or prejudice-driven bullying—particularly on the grounds of race, sexuality or disability— is now a disturbing facet of the problem. When the Education and Skills Committee, of which I am a member, took evidence on the matter, we heard about all three aspects, including from Support Against Racist Incidents, which, although it is a national organisation, happens to be based in Bristol, West. The most awful report that has been sent to me in my present role or since I became a councillor in Bristol in 1993 was that from SARI showing the dreadful violence and prejudice expressed against citizens in Bristol and throughout the country. When the Committee took evidence from SARI, we heard that despite the fact that schools have a statutory duty to report incidents of racism—whether they are bullying or not—the organisation feels that racist bullying is under-reported.

The Committee also heard about homophobic bullying from Educational Action Challenging Homophobia—I am sure that it is a coincidence that the organisation is also based in Bristol, West—and Stonewall. Stonewall's recent school report survey, which was based on interviews with 1,100 children and young people, showed that two thirds of those people had experienced bullying while they were at school and that three fifths of them had not reported it to the school or their parents. Why would that be the case? They might have thought that nothing would be done, or perhaps there was no school policy, but it probably happened because they were fearful of the consequences of confirming their sexual identity at a young age.

Homophobic bullying is different from other forms of bullying because while a person who is bullied because of such aspects as their race or religion will have a peer group to turn to, a person who is bullied because they are gay, or suspected to be gay even though they are not, will not usually have a peer group in the school to turn to. Additionally, they will probably not have had the important coming out conversation with their parents at that age. Stonewall's report showed that half the people surveyed felt that they could not be themselves while they were at school. Homophobic bullying snatches away an integral part of a young person's identity.

Hon. Members have mentioned the third form of identity-related bullying, which relates to special educational needs or disability. The hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) referred to the evidence that Mencap gave to those of us participating in the debate, which showed not only that 82 per cent. of people with a learning disability had experienced bullying, but that 60 per cent. had been physically hurt by the bullying—it was not just taunting. The hon. Member for Buckingham (John Bercow), who is not in the Chamber at the moment, mentioned autism. The bullying of children with autism is the cruellest form of bullying simply because the bullied child might not realise that they are a victim of bullying and might not have the communication skills to convey the fact that they are a victim to their teachers or parents.

I have said something about the problems and incidence of bullying in schools, but what about the solution? It is important that the profile of bullying is raised. In addition to our debate, we will have anti-bullying week between 19 and 23 November. During last year's anti-bullying week, I recorded a clip, which was put on to YouTube—this is something positive to say about the site—about bullying and, especially, the importance of tackling homophobic bullying. The clip has had more than 4,300 viewings, and it is one of the most watched clips by any Member of Parliament. If hon. Members have not yet seen it, they can go and search for it after the debate.

Many mainstream charities, such as the NSPCC, are focusing specifically on bullying, while specific charities, such as Beatbullying and the Anti-Bullying Alliance, bring people together. Teachers' unions, the Select Committee and, to be fair, the Government are taking the subject tremendou ly seriously.

A motion on bullying was passed at our party conference in Brighton—it was only about four weeks ago, but in light of recent events it seems a lifetime ago. We suggested that there should be a whole-school approach on tackling bullying and a policy for each type of bullying. We said that every school, without exception—the hon. Member for Buckingham mentioned faith schools earlier—should adopt a practice and policy on the different types of bullying. Stonewall is giving the Department support in preparing a pack on homophobic bullying and I think that that is about to be released. Can the Minister confirm that it will go to every single school and that he will ensure that every single school implements the policy?

We call for every school to ensure that there is a member of the senior management team and a member of the governing body who are responsible for making sure that people adhere to the bullying policy. Our most important recommendation is that there be professional counselling for victims of bullying. The NSPCC suggests that it should be independent, but I do not have a specific view on that. Perhaps the counselling could be done by the school's pastoral staff. I visited the NSPCC team in Bristol who provide independent counselling support for children who have been bullied in the city's schools. I was tremendously impressed by the team's work, but I was shocked by some of the incidents with which they have had to contend.

We can also tackle bullying through the curriculum. Citizenship education has been mentioned already, but there is an important role for school councils, too. Every time that I visit a Bristol school, I ask to meet the school council, and I always ask its members what they, as children, are doing to ensure input in developing anti-bullying policies. The Minister mentioned social and emotional aspects of learning, but I do not think that he mentioned personal, social and health education. If it was compulsory in every school—at the moment,

*[Stephen Williams]*

implementing that curriculum is voluntary—every child would understand the diverse nature of 21st-century bullying, and that would contribute to a reduction in bullying. The issue is not really money; it is just a matter of political will, and of schools showing a real commitment to tackling the problem.

So far, the debate has been consensual, but I was disappointed to hear what was said in Prime Minister's Question Time, the weekly circus that we all have to witness. Our party is quite used to the Prime Minister or the Chancellor deriding Liberal Democrat spending commitments, but I was surprised today when the Prime Minister included our policy on bullying in those that he derided. I hope that he will repair the damage that he has done by giving the impression that ensuring consensus and treating bullying seriously is not an objective. In the past year, the only specific spending commitment that we have made on bullying is through our support for Beatbullying's "4QuidAKid" campaign. The charity has estimated that it would cost £4 per child to put in place a specific programme of anti-bullying work in every school in the country. When the Prime Minister was Chancellor, he pledged that his Government would bridge the funding gap per pupil between independent and state schools. That gap is many thousands of pounds; surely he can find £4 to implement an anti-bullying policy.

Bullying is an emotionally crushing experience for tens of thousands of pupils. It undermines their attainment and leads to truancy, and the legacy can often remain with someone later in life. All schools should be safe places for learning. I think that today's debate will give the victims of bullying some hope that their plight is being taken seriously.

6.8 pm

**Mr. Stewart Jackson** (Peterborough) (Con): It is a pleasure to follow the hon. Member for Bristol, West (Stephen Williams). He referred to the Prime Minister's comments, but perhaps he takes them too seriously. I fear that they were a cheap jibe in view of this week's events, but I think that the hon. Gentleman made his point well. It is also a pleasure to follow the hon. Member for Worsley (Barbara Keeley), who made a passionate and authoritative speech that focused on her work of raising the issue of carers, for which she should be commended.

There is a great deal of consensus among Members on both sides of the House on the issue. I hope that we will not be involved in any partisan point-scoring this afternoon, because we all want the same things. There are parts of the Government's policy with which we Opposition Members certainly agree. We agree with the guidance given under the auspices of the Violent Crime Reduction Act 2006 on removing knives and other offensive weapons from schoolchildren who bring them to schools. We generally support "Safe to Learn: Embedding Anti-Bullying Work in Schools", the new guidelines launched by the Secretary of State for Children, Schools and Families last month. However, there is the wider context of social change and the breakdown of deference, the culture of respect for other people in schools, and authority generally. How children feel about their lives, their families, their future and their environment was shown in sharp relief by the UNICEF report of February 2007, which regrettably showed that the UK's children are among the unhappiest in the developed world.

This is an important debate and I regret that more Members are not present to listen and to contribute to it, but speculating on the reasons for that may be above my pay grade.

In 2005, 32,000 children contacted ChildLine to report that they had been bullied, and 70 per cent. of those had been bullied at school. As the House probably knows, 81,000 children received fixed-period exclusions and 1,780 received permanent exclusions in the education year 2004-05 for assaults on other pupils. Similar figures were recorded for verbal abuse and threatening behaviour. That is a significant badge of shame for our school system.

Regrettably, the hon. Member for Huddersfield (Mr. Sheerman), the Chairman of the Select Committee, is no longer in his place. Reference was made to the Committee's very good report of March 2007, which reached a number of key conclusions on bullying. The report made it clear that the Committee was concerned that

"casual attitudes to violence seem to be becoming more common",

and that there was

"a lack of respect for other people, a lack of respect for difference, and anti-social behaviour, as well as bullying".

The report identified the fact that children who had been the victims of bullying at school were, bizarrely, often excluded on the grounds of health and safety, instead of the root cause of bullying being dealt with by the school authorities, as it should have been.

The key issue in the report was the lack of demonstrably reliable data about the prevalence and types of bullying. The hon. Member for Bristol, West made the pertinent point that bullying should not be treated as a catch-all concept. There are different types of bullying. For instance, a Muslim girl might be bullied because of the way she dresses, because she wears a scarf, or because she has to leave school early on a Friday for Friday prayers. Equally, an evangelical Christian who reads the Bible in school, because that is what they have been taught and that is their family background, might be bullied. Religious bullying is not a single phenomenon. We need to deal with bullying at the lowest possible level and in a professional manner, through school management and through counselling.

The Select Committee found that

"a lack of accurate reliable data on bullying is one barrier to more effective anti-bullying work",

and expressed concern that

"decisions on anti-bullying policy are being made with very little evidence to guide them."

The problem of bullying must be seen in the context of school discipline. If I may be partisan for just 30 seconds, school discipline was a major plank of the 2005 Conservative general election manifesto, and it was rubbished by some senior Ministers, who claimed that that was not at the top of the agenda for electors. I am glad to see that the Government have taken on board our arguments and are developing policies based on our 2005 manifesto. We knew then that it was indeed a major issue. My hon. Friend the Member for

Bognor Regis and Littlehampton (Mr. Gibb) pointed out the link between discipline, standards and a reduction in bullying. The corollary is that poor discipline results in more bullying.

**Kevin Brennan:** I can assure the hon. Gentleman that discipline has always been in vogue with me, including when I used to be a classroom teacher. However, if we attempt to raise the bar further on discipline and it thus becomes more difficult to pass that bar, may I have the hon. Gentleman's assurance that he will not revisit this issue and pretend that standards have slipped when in fact we are raising them?

**Mr. Jackson:** The Minister asks a pertinent question. Unfortunately, he is out of time with his accusations, as the partisan part of my speech is behind me and I am now moving into more consensual mode. As it happens, Conservative Members supported the Government on key areas of the Education and Inspections Act 2006. The media, of course, concentrated on the issue of academies. I must confess that I have an interest to declare, as England's largest academy, the Thomas Deacon academy, is based in my constituency—and a very fine school it is, too. I shall refer to it again later.

We supported the Government on that Bill, which received Royal Assent at the end of last year. In particular, we supported clauses 80 and 81, which required schools to develop a behaviour policy; clauses 82 to 84 on the statutory power to discipline pupils; clauses 89 and 90 on parental contracts and orders; and clauses 95 and 97, which require parents to take responsibility for their children in the immediate period after their exclusion from school.

Poor discipline continues to be a major problem in all schools and as my hon. Friend the Member for Bognor Regis and Littlehampton made clear, it has the biggest impact on the education of the vast majority of well behaved children. Last year, 220,000 pupils were suspended from school more than once, which was up from 19,000 in the previous year. In some senses, we are seeing a crisis of school discipline. As I mentioned earlier, in 1,587 schools, more than 10 per cent. of pupils have been excluded; and in 192 schools, more than 30 per cent. have been excluded. That, to my mind, is a crisis of indiscipline. Truancy is also rising, as 3.7 million school days were lost in the spring term this year.

A report from earlier this month, commissioned by the Royal Bank of Scotland, showed that it was not just the secondary sector that has problems, as one in four primary school children were shown to have been the victims of playground bullying. It often happens because children are bored and have nothing to do; they have recourse to bullying in the absence of any meaningful alternative focus at the time.

Members should cast their minds back a few months to the publication of a report in the quality newspapers about the absence of a playground in the Thomas Deacon academy in Peterborough. There was a minor outcry in my constituency at the fact that children had nowhere to play. However, when the facts and figures were examined, it emerged that there was a reason for not having a playground. I emphasise that we are talking about a playground—not playing fields or a theatre or activity rooms—and it was absent for a specific reason. The school wanted to build out the risk of children—often those from poor backgrounds in the east of my constituency—being bullied because of the way they spoke, how they looked, their parents' backgrounds and so forth. The decision was based on best practice at other successful schools.

The other issue is that there is a philosophy and ethos of excellence in that school. I put aside partisan differences. I did not agree with much that the former Member for Sedgefield, Mr. Blair, did, but he did the right thing on academies. Of course he filched the policy from the Conservative party. The city technology colleges policy was pioneered by the last Conservative Government, and it was the right policy. It would be infantile for us to say anything other than that we support it now if it helps our children to succeed in a difficult world.

The Thomas Deacon academy took the brickbats and the flak in deciding not to have a playground because it wanted actively to tackle bullying. It opened on 7 September, and I hope and expect its methods to work.

One way in which to tackle bullying at primary school level is to deal with the physical environment. That approach has been pioneered by the national school grounds charity Learning through Landscapes, and includes the provision of friendship benches, buddies and active teacher role models who encourage stimulating play. The idea is to focus kids' minds rather than just throwing them out into a playground for 20 minutes. They will be able to take part in physical activity, and a child who may feel isolated or may be prone to bullying can be looked after, cared for and mentored by an older child on a friendship bench. In some parts of the country, that approach has been proved to reduce the amount of bullying in primary schools.

However, as I said earlier, we must also focus on the children who do the bullying, and on their parents, because it is a difficult time for them. We must not focus only on the children who are bullied and on their parents and families, although of course that is vital as well. I echo the view of Parentline Plus that, although legal sanctions are important—and Conservative Members strongly support them—they must be accompanied by strong parental support. As the organisation said recently in remarks published in *The Guardian*,

> "we... take calls from parents of bullies appalled at their children's behaviour and not knowing which way to turn."

That sense of isolation, shame and stigma can exacerbate an already difficult and traumatic situation.

I congratulate my local authority, Peterborough city council, on its initiatives to tackle bullying. It is rolling out one of them, BRAVE, in all the schools in Peterborough. BRAVE stands for "bold, resilient, assured, valued, empowered", which is what the council wants local children to be. It will launch the initiative at a conference in Peterborough in January.

The council is very much involved in anti-bullying week, which begins on 12 November. Its children's services department is sponsoring two key activities in Peterborough schools. In the primary sector it is sponsoring E-ngage, an interactive experience enabling children to explore situations and receive advice and guidance online from a team of experts. In the

*[Mr. Stewart Jackson]*

secondary sector there will be a dramatic workshop with the rather frightening name "Silent Screen", involving a performance that children can take back to their schools, develop and adapt to local circumstances. The council is also working with the Cambridgeshire constabulary's safer schools initiative.

I pay particular tribute to Jack Hunt school, which has a strong anti-bullying policy including a restorative approach project to ensure that children make amends for the bullying and know that bullying is wrong. I also congratulate Peterborough city council in general on its innovative approach to tackling all forms of bullying.

I echo what Members on both sides have said about children with special educational needs. The bullying of disabled children in particular is deplorable. As was said earlier, in January this year Ofsted published a report on SEN provision in further education. It stated that 18 of the 22 colleges that Ofsted had visited lacked expertise in assessing students' capabilities, which in turn made it difficult to measure their progress. Although learners' achievements on accredited programmes were found to be good, they did not always meet students' stated needs.

There is a wider context. Dare I say that the issues have been looked at in great detail by the Leader of the Opposition, my right hon. Friend the Member for Witney (Mr. Cameron)? There are some practical issues that we need to grasp in dealing with bullying. We need to end the right of appeal panels to overrule expulsions. That is a vital first step. We want to see an end to the panels second-guessing head teachers' decisions to exclude pupils.

We must have enforceability of home school contracts. Many schools already have those contracts, which set out in black and white what is expected of the school, the child and the parent, but they must be enforceable and they must be seen as a requirement for admission and a ground for exclusion. Teachers, and head teachers in particular, must have their authority and autonomy restored as a corollary of professional respect.

We must also protect teachers from spurious allegations. That, too, will bolster their professional respect. That is an important message to send out to pupils and parents. Controversial as it has been, we must look again at the inexorable rise in the number of special schools that are closing. We have all seen this happen over the years: when disabled children or children with special educational needs are put into mainstream schools, some will cope but many will not. As my hon Friend the Member for Bognor Regis and Littlehampton has said, one child being driven to suicide or to think about suicide is one too many.

It has been excellent to have an opportunity to talk about these issues, which are extremely important. We have had a constructive debate. There is consensus across the House on dealing with the issue. We welcome the initiatives that the Government have undertaken, including last month's statement. We will support the Government where they are right, as we did on the Education and Inspections Bill, and we will hold them to account where they are wrong. I hope that there will be other occasions when we can discuss these vital issues.

6.27 pm

**Angela Watkinson** (Upminster) (Con): Before I add my brief remarks to this consensual debate, I would like to endorse the tribute paid by the hon. Member for Worsley (Barbara Keeley) to young carers. My local police have an awards ceremony once a year for young achievers in the borough, and young carers always feature prominently. Over the years, I have been surprised by how many very young children take on quite extensive responsibilities of caring for dependent parents and for siblings, too. I have never received notification of a bullying case involving a child carer, but the hon. Lady has made me aware of the possibility, so I will be looking to ensure that none of the young carers in my constituency is suffering in that way.

Bullying is a base negative human instinct which goes back to time immemorial. As I listened to the debate, I recalled how I was bullied by one child when I was in primary school. At the time I did not know why—I had no idea why that particular child had taken such a dislike to me, wanted to hit me and would waylay me on the way home from school. I was not a confrontational sort of child and used to go to extraordinary lengths to avoid that bullying. With hindsight, I see that that probably exacerbated the problem; I did not face it. Listening to the debate and all the various possible reasons why children are bullied, I think it was probably because I used to be first in the class—in those days, every child in the class was ranked. At home, I was expected to be first and if I was not I had to explain why. I can understand now how a child who was not first could have found that extremely irritating. After all these years, I forgive her.

I also experienced a brief instance of bullying fairly recently. It was perpetrated by an adult, but I am sure he was a bully when he was at school. I was coming down the stairs at West Ham tube station, and I was wearing high-heeled shoes and carrying two heavy bags. Having suffered a serious fall at that station a year or so ago, I am always very wary there, so I was using the handrail. Coming up the stairs, however, was a man wearing flat shoes and carrying nothing in his hands. He just stood and stared at me; then he said, "I'm no gentleman," and would not budge. I had to teeter around him to get down the stairs. I think that for some people bullying is a personality thing: if they are bullies at school, it is likely that they will go on to become bullying adults. That is one of the reasons why it is so important that we try to find ways of reducing bullying in schools.

Of course, nowadays there are far more opportunities for bullying and more imaginative ways of doing it—texting, blogging and via websites, for example. The principle, however, is the same age-old one: picking on somebody who is weaker or different in some way and attacking them either physically or psychologically for some sort of personal satisfaction.

The victims are chosen for all sorts of reasons, some of them inexplicable. The reason can be purely their physical appearance. I remember that, when I was a child, children with red hair were picked on. I do not know whether that persists—fashions change, and I think that nowadays red hair is admired. Back in those days, children might also be picked on and bullied because they were unusually tall or short, or fat or thin,

or had a big nose. Clothing has been referred to: if a child wears clothes that are noticeably different from everybody else's, that can be used as a reason for bullying. That is one of the benefits of school uniform. It makes everyone appear the same and eliminates at least one opportunity for bullying or picking on people—because they look different.

Other motives for bullying include jealousy of a child who is especially pretty or good looking, or the fact that the child belongs to a particular group—he or she is gay, or Jewish, or a Jehovah's Witness. Children might also be bullied for being particularly clever; that is often a source of annoyance to other pupils. On the other hand, they might simply be non-confrontational and an easy target, or—a subject several Members have referred to—have a speech impediment or a physical difficulty or mobility problem. Children with an impediment who attend mainstream schools are sometimes subjected to bullying because of that.

I worked in a special school for many years. I concede that it was very small compared with mainstream schools, but bullying was virtually unknown. Students had a wide range of disabilities, including those relating to speech and mobility and those that are not visible, but there was a common thread: they all accepted each other's disabilities without comment, disregarding them as much as possible and carrying on with life.

One Member referred to the discipline involved in staff members eating with pupils at lunchtime. That was one of the habits in that school: the staff always ate with the pupils. Some of them came from homes where they had not learned to use a knife and fork properly. They did not understand the sharing of food at a table, so it was served in terrines and they learned to make sure that there was enough for everybody. They learned many different types of interpersonal skills that are acquired through social eating, such as the benefits of discussion during a meal, and even of arguing about something without coming to blows, but enjoying differences of opinion. Those social skills are very important, and they all contribute to the elimination of bullying.

The interesting question is why do young people bully? Why do bullies do it? That is a complex subject, and there are a wide range of possible contributory reasons. They might be very unhappy themselves. The various causes of unhappiness are almost endless. They might have very low self-esteem, which could originate from low achievement in school. They might be bullied at home: some families have a whipping boy—one person in the family who is always found to be responsible for everything that goes wrong. They might witness other family members bullying in their homes, so it is a learned habit. Bullying might be the only way in which they can feel that they have any power or control over their own lives.

There is also the influence of video games. Most young people have access to computers, and from what I have seen, all video games are based on violence and attacking. My grandchildren watch them, as well. I think that the games are perfectly horrid, but they all seem to like them. However, some children could be influenced to the extent of wanting to carry out these acts of violence on other children at school.

One very difficult thing for schools in dealing with bullying is finding witnesses. The essence of bullying, which is a very cowardly act, is that it is often done when nobody is looking. In fact, the bully usually makes sure that nobody is looking. Schools therefore receive the complaint from either the bullied child or their parents, and then have the extremely difficult problem of investigating and finding out exactly what happened before they can deal with it.

The schools in my borough, and particularly in my constituency, are extremely good and are of a very high standard; they all have bullying policies in place. I am a governor at two of them, so I know this from personal experience. They also have school councils, even the primary schools. I have been very impressed by the standard of debate and their good meeting habits. The children learn to listen to other people and are taught not always to force their own point of view, to give equal respect to others' points of view, and to discuss possible ways of overcoming problems. School councils make a very good contribution to dealing with bullying, and they can come up with their own ideas. Children often have a very different perspective from adults and, using lateral thinking, may suggest another way to approach a particular case of bullying. There are peer mentoring schemes, even in the primary schools. I have been impressed by the level of common sense and good will in very young children in trying to work together to overcome problems.

Parents associations also play a very important role. The greater the level of parental involvement in the life of a school, the better the machinery of school works and the greater the opportunities to deal with bullying and any other problem that comes up in the life of the school.

We all get cases of bullying referred to us, and I want to refer to one in particular. Typically, we receive a letter from a constituent who is extremely worried about their child, who is being bullied at school. My first question in that situation is, "Have you discussed it with the school governors and with the head teacher?" Sometimes, they have not, and I will never step in and interfere in the life of the school until due process has been followed. In the case to which I want to refer, the school had a very difficult decision to make. Quite a difficult child from a difficult family background was undoubtedly bullying another child in a violent way. The bullied child's parents wanted the bully to be excluded, but the school was concerned that, if the child was excluded, it would have no control over what was happening outside school—as we all know, the bullying process does not stop at the school gate. It is very difficult for schools to please everybody in these circumstances.

The school tried very hard to do the right thing, and the whole school got involved. When the bullied child was persuaded to come back, their peers made sure that they were always escorted during circulation time between lessons and were never left on their own. The school went to endless lengths to overcome the problem, but as I say, it is impossible to please everybody.

Schools can do their best, and that is the essence of how we will resolve this problem—by everybody working together. The pupils, the governors, the parents association, individual parents, the teachers,

*[Angela Watkinson]*

the ancillary staff, dinner ladies on duty in the playground, the groundskeepers—everybody needs to work together. Unfortunately, the police are also sometimes involved. Bullying is not a problem that any one group can solve alone. Government, of course, have the role of legislating, but we need to work together to reduce bullying. That will be a long haul, because as quickly as we resolve one method of bullying, no doubt others will emerge.

6.40 pm

**Kevin Brennan:** I know that it is traditional on these occasions to say that we have had a good debate, but that is what we have had. All the contributions have been extremely useful, well informed, and helpful to me in my role as the Minister responsible not for bullying but for policy on bullying. It would be inappropriate for me to be responsible for bullying, as an ex-member of the Government Whips Office. This has also been a well behaved debate, and I congratulate everybody on that, given the issue that we are discussing.

I would like to reply to the debate by talking about the contributions initially. The hon. Member for Bognor Regis and Littlehampton (Mr. Gibb), who made a speech from the Conservative Front Bench, spoke about behaviour in our schools and, as I mentioned to the hon. Member for Peterborough (Mr. Jackson), I hope he will join us in the mission to raise the bar on discipline in our schools. I think that he will do so, because I know that he is genuinely concerned about these issues and is sincere in his desire to improve standards in our schools. If we raise the bar and it is consequently difficult to get over it, I hope that he will be straightforward in his assessment of that—I am sure that he will be—and acknowledge improving standards where they are occurring. That is always a matter of concern, because it is so easy to take a headline figure and for it to be used in a way that is not entirely consistent with what is happening on the ground, although I know that he would never misrepresent anything. I am sure that he will be fair in that way.

The hon. Gentleman mentioned consistency and the importance of academic standards, in that a lack of quality teaching is potentially a root cause of bullying and has other impacts. Consistency is important in school discipline, as is fairness. Pupils respond well to an orderly, calm environment, as he described, and they also respond well to consistency and fairness. Some of the other contributions acknowledging the importance of involving the pupils themselves in helping to set and agree the standards, through school councils and other methods, was an important feature of the debate.

I mentioned the social and emotional aspects of learning. Although the hon. Gentleman did not refer to that in his speech, I hope that he will examine some of the research on it, because I understand that he did not initially welcome that specific programme. I sincerely invite him to take a look at it, because it is having an impact and I hope that he will feel able to welcome its further extension in coming years. I thank him for his contribution.

We heard a contribution from my hon. Friend the Member for Worsley (Barbara Keeley), who spoke with a quiet eloquence and passion about young carers, and managed to range extensively on that subject while keeping perfectly in order in relation to today's topic of bullying. She raised an interesting point about the particular vulnerability of young carers to be the potential victims of bullying. She also mentioned the 200 young carers projects that are in place around the country, and I would be interested to see some of the work that they are undertaking. She rightly pointed out that although 200 may sound like a lot, it does not represent one project in each constituency.

**Barbara Keeley:** There is a very good young carers project in Salford, and I wonder whether the Minister would like to take up the invitation to visit it. It is just about to extend its work into two high schools in my constituency, so it would be a good time to visit.

**Kevin Brennan:** My hon. Friend has been very generous with her invitations to me this afternoon, as I think that that is the second one. I shall certainly look at trying to achieve that, if I can. I will also undertake to do my best to come along in December to meet the young carers at the event that she is hosting in the House and I am sure that other hon. Members will also wish to take her up on that invitation.

My hon. Friend mentioned young carers and pointed out that it is another form of prejudice-driven bullying, but it is almost prejudice by proxy, in that many of the young carers have disabled parents or relatives, for whom they are helping to care. Her observation on that was astute. This week, I listened to my right hon. Friend the Secretary of State for Health describe on "Desert Island Discs" how he was brought up by his sister after his mother died when he was 12, and that struck me as an example of how young carers can have a major influence on people's lives. His story is even more remarkable as a result of that background.

My hon. Friend also mentioned her Bill—the Carers (Identification and Support) Bill—and I commend her for the work that she has done on the issue. I will undertake to do my best to come along in December to meet the people from the young carers forum.

The hon. Member for Bristol, West (Stephen Williams) spoke on behalf of the Liberal Democrats about cyberbullying and how we could do more to ensure that the sites were more responsible. In the forum that we have set up, the companies—including some of the large players in the market, and he mentioned one in particular—have indicated their willingness, and we have to hold them to it, to take down offensive material and to ban users who abuse the sites. We also need to approach the issue from the other side and try to educate young people, parents and teachers on how they can make an effective complaint. They can go to the companies and ask them to take down some of the material and identify and deal with the abusers. If appropriate, they can also ensure that the issue is reported to the police and, where necessary, charges are brought. We have a job to do on that issue, and the guidance that we have issued on cyberbullying is an important part of that.

The hon. Gentleman also mentioned the sending of guidance to all schools on homophobic bullying. I should explain that the homophobic bullying guidance is part of the overall "Safe to Learn" document. That extensive online document is available for schools to order if they wish to have a hard copy, although—as the Minister with responsibility for sustainability in the Department—I do not want to have too great an impact on the Amazon rainforest by sending out huge documents that schools do not want if they can be made available online.

The hon. Gentleman might also have been referring to some further work that has been done by Stonewall and the Anti-Bullying Alliance. I understand that Stonewall is planning to send additional materials to schools in conjunction with the Anti-Bullying Alliance. That is not specifically a departmental initiative, and it is not yet clear what the distribution strategy is.

**Stephen Williams:** Given that the resource has been made available to schools online by the Government, how can the Minister be confident that every school—especially faith schools—will implement the guidance?

**Kevin Brennan:** I have made it clear that I expect all schools to implement the guidance and we will use the national strategies and the Anti-Bullying Alliance to monitor what is happening in schools. The guidance applies equally to faith schools and we will monitor the implementation in all schools closely. It is a requirement for schools to develop a bullying strategy, as the hon. Gentleman knows.

The hon. Gentleman went on to talk a little about his party conference and the Prime Minister's remarks earlier today. He is right that there are many different types of bullying—I will not repeat the point about leadership bullying, which might concern his party—that sometimes require a different approach. That is what we are trying to do in our further work. It was remiss of me if I did not mention personal, social and health education lessons in schools, which are an important part of delivering that kind of education. I hope that he will also acknowledge, as I asked the hon. Member for Bognor Regis and Littlehampton to do, the importance of the social and emotional aspects of learning programme. We have had independent verification that that has been effective in improving behaviour in schools.

**Dan Norris** (Wansdyke) (Lab): Will my hon. Friend assure me that the Government's approach does not embrace the so-called no blame approach to bullying? About 18 months ago, in response to problems in Bristol schools, the then Liberal Democrat-run council gave out an instruction to schools that pupils should not be punished for bullying other pupils, and I am still angry about that.

**Kevin Brennan:** I give my hon. Friend the absolute assurance that the Government are not embracing the no blame approach. We have also made that clear to the Anti-Bullying Alliance. Bullies should always be punished. As we have discussed, further help might be required for bullies, their families and their parents, but I have no doubt whatever that it is a big mistake if the bully's actions have no real consequence. It is ultimately in the interests of the bully's own welfare and well-being that there should be such consequences.

**Stephen Williams:** I want to put on record that the hon. Member for Wansdyke (Dan Norris) is being slightly mischievous. When Bristol city council issued anti-bullying guidelines over a year ago, the so-called no blame approach was just one of the options that schools could take up, and a link to the then Department for Education and Skills website highlighted that no blame was an option—not the sole option, but one of many—for a school.

**Kevin Brennan:** For absolute clarity, let me assure the hon. Gentleman that it is not our policy to support that approach to bullying. For the benefit of any local authorities or others who are listening, let me make it clear that such an approach to bullying is a mistake.

The hon. Member for Peterborough made an important contribution. He said that the debate was important, and bemoaned slightly the lack of attendance for his speech, which was a great shame as it was well worth listening to. I suspect that the football might have had something to do with that, but certainly no one was excluded from listening to his speech.

The debate was broadly consensual, but I have a fundamental difference with the hon. Gentleman over the issue of ending appeal panels, which is his party's policy. It is a bit of a dog-whistle issue: superficially, the argument is that we must back the head teacher, and that it is a mistake not to do so. We would all assent to that proposition in its raw form. It is not common sense, however, to say that a mistake could never be made about exclusions. Nor is it common sense to leave schools open to being sued through the courts and dragged into the judicial system as the only way to deal with that kind of problem. That would allow lawyers to line their pockets with money as appeals were made through the courts, judicial review or whichever mechanism was used, instead of through a simple, proper appeals mechanism.

In 2005-06, only 1.4 per cent. of excluded pupils who appealed were reinstated, and only half went back to the original school they attended. It is a dog-whistle issue, and I understand why the Opposition are raising it, but it is not common sense. If they reflect on it, they will find that that is the case.

**Mr. Gibb:** A quarter of appeals are overturned. That is a big concern to head teachers, who say that in many instances that deters them from making exclusions in the first place. The issue is a major drag on the ability of head teachers to impose discipline. We propose that there could be an appeal to the governing body of the school; it could be heard by governors who were not involved in the original exclusion.

**Kevin Brennan:** Ultimately, we want to avoid such matters getting to the courts, and I am not sure that what the hon. Gentleman suggests is the appropriate way to do that. Whomever is appealed to, he acknowledges that there has to be some sort of appeal. To pretend that an alternative form of appeal would be any different is not to be strictly open about the nature of the motivation behind that policy. That is one issue on which we shall have to agree to disagree.

I want to refer further to the remarks made by the hon. Member for Peterborough. He said one other thing: that poor discipline is a major problem in all our

*[Kevin Brennan]*

schools. I am not sure whether he meant to say that; I wrote it down when he said it. If he did, I should say that I do not agree with him; as we have discussed, discipline, behaviour and tackling bullying are important, but poor discipline is not a problem in all our schools, as Ofsted's report today would confirm to him. In fact, behaviour has improved in recent years. However, we have agreed in this debate that we have to do better.

**Mr. Stewart Jackson** *rose—*

**Kevin Brennan:** If the hon. Gentleman does not mind, I shall not give way because of the time available; I also want to comment on the remarks made by the hon. Member for Upminster (Angela Watkinson).

The hon. Gentleman mentioned the school playground, buddy systems and so on, and he talked a lot of good sense about approaches to reduce bullying that use peer mentoring and so on.

Finally, I turn to the remarks made by the hon. Member for Upminster, who told us that she had been first in the class when a student. We saw why from her interesting and engaging speech, full of a lot of good sense. She also told us about an unfortunate incident that she personally suffered recently. The individual involved was no gentleman; that was absolutely clear.

I was taken by her remarks about pupils eating together in school. I met representatives of the School Food Trust this morning, and we discussed that issue. The hon. Lady may be interested to know that my mother was a dinner lady in the primary school that I attended as a young lad. I had no choice but to learn how to use a knife and fork and eat properly. There is a lot in what the hon. Lady says: we should consider how to ensure a good environment for children when they have school meals. It should not just be a case of their turning up to eat at lunch time; they should learn social skills and table manners, if we want to call them that. They should learn how to use a knife and fork properly and how to have a discussion while having a meal. Those are important skills for any young person to learn. A lot of young people come into school without such skills, which we might expect them to have.

The hon. Lady also mentioned how effective school councils can be. She may not mind my telling her, in another family reference, that my daughter was elected to her school council a couple of weeks ago; I am afraid that that is probably the effect of having an MP as a father. School councils are important, and I am personally aware of how useful they can be in dealing with problems such as bullying.

The hon. Lady also mentioned technology and video games. Not all such games are violent; there are some good, educational ones. However, as I am sure she will welcome, we are having a review on the issue—the Byron review—in the next few months, at the instigation of the Prime Minister. I am sure that any observation that she made to that review would be welcome. The review will specifically cover video games and their influence on children; I thought that the hon. Lady would be interested in that and want to make a contribution.

We have had a good and consensual debate and I thank everyone for their contributions. The issue is very important: dealing with bullying is fundamental to the learning experience of pupils and a safe working environment for school staff. Clearly, on both sides of the House there is a commitment, which I welcome, to tackle the issues. A range of views has been expressed, and I thank all who spoke.

**Mr. Bob Blizzard** (Waveney) (Lab): I beg to ask leave to withdraw the motion.

*Motion, by leave, withdrawn.*

## DELEGATED LEGISLATION

*Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees).*

HIGHWAYS

That the draft Traffic Management Permit Scheme (England) Regulations 2007, which were laid before this House on 19th July, be approved.—*[Mr. Blizzard.]*

*Question agreed to.*

## Maldives

*Motion made and Question proposed,* That this House do now adjourn.—*[Mr. Blizzard.]*

7 pm

**Mr. David Amess** (Southend, West) (Con): On an evening when I am sure that some hon. Members are a bit gloomy that England got beaten 2-1 in the football match—although we can look for better things against Croatia—I hope to cheer everyone up with this debate about the Maldives.

When we die, most of us aspire to enter paradise, even though we might be sinners. Well, I have news for the House: my hon. Friend the Member for Northampton, South (Mr. Binley) had an early taste of paradise when, through the all-party parliamentary group, we had the opportunity to visit the Maldives earlier this year. No words can describe adequately just how beautiful the islands are. He and I had a splendid visit, and learned at first hand the challenges faced by the Maldivian Government. I bring the House the good news that we were given an open opportunity to visit all parts of the Maldives, and that next year's plans will result in democracy being well and truly delivered to the islands.

Britain's relations with the Maldives began with our colonial expansion into south Asia in the mid to late 18th century. On 16 December 1887, the Sultan of the Maldives signed a contract with the British governor of Ceylon, turning the Maldives into a British protectorate. The British Government promised the islands military protection and non-interference in local administration, in exchange for an annual tribute paid by the Maldives. In 1957 the British established a Royal Air Force base in the strategic southernmost atoll of Addu, where hundred of locals were employed. Nineteen years later, the British Government decided to give up the base, as it was too expensive to maintain.

The Maldives has been an independent state throughout its known history, except for a brief period of 15 years of Portuguese occupation in the 16th century. The Maldives remained a British protectorate until 26 July 1965, but I am sure that the Minister will accept that the ties between Britain and the Maldives remain very close, even though it is no longer a British protectorate. We remain a leading economic power, and rightly still contribute aid to the Maldives, which is a developing country. The great disparity in wealth between our two countries, and our shared history, places an obligation on Britain to continue to provide assistance to that island state.

The Maldives is a small nation, but the House may not understand that it is made up of 1,200 coral islands, most of them uninhabited. The fact that none of them stands more than 6 ft above the level of the ocean makes the country very vulnerable to rises in sea level associated with global warming. With their abundant sea life and sandy beaches, the Maldives islands are often portrayed by travel companies as a paradise, and my hon. Friend the Member for Northampton, South can testify that it is.

The Maldives islands are absolutely magnificent, but many Maldivians live in absolute poverty. The country has done its best to develop its infrastructure and industries, including the fisheries sector, and there has been a boost in health care, education and literacy. I know that my hon. Friend the Member for Northampton, South hopes to catch your eye, Mr. Deputy Speaker, as he has some splendid ideas about developing further educational links between our two countries. I think that he also has some points to make about human rights.

In December 2004, the Maldives was hit by the Asian tsunami. Homes and resorts were devastated by the waves, precipitating a major rebuilding programme. The Maldives are beautiful but the country faces many challenges, one of which is the threat of rising sea levels.

During our visit, we saw at first hand just how vulnerable the islands are and I want to outline briefly some of the issues. Malé, the capital, is home to the majority of the country's 300,000 inhabitants; it is by far the most developed of the Maldives islands. I do not know whether the Minister has had the opportunity to visit the island, but Malé is absolutely crowded—there is nowhere left on the island for building or development. That is a real issue.

To counter pressure on the capital, the Government have developed an extraordinary project; they have reclaimed and rebuilt an island, which will in time be bigger than the capital. Hundreds of people already live on the island and the Maldivian Government are considering the construction of a bridge or causeway to link Malé to the new island. So far, under the first phase, 1,500 people have gone to live in the housing that is being erected on the 465-acre island. It is an absolutely magnificent project.

Hulamalé is already the same size as the island of Malé and will more than double when the project has been completed. It is phased over 40 years and eventually the island will house 153,000 people. The vast, flat, barren rectangle is a far cry from the rest of the Maldive islands. The project began in 1997 and will be completed in a number of stages. It has already cost £30 million. Malé residents are being given priority in land and home purchases and the Government of President Gayoom are offering real estate at a 40 per cent. discount on prices in the capital as an incentive.

The President has spent much of his 26 years in power warning of the dangers of global warming, erosion and shifting weather patterns. The reclaimed island offers an opportunity for British involvement in the development of the project and I hope the Minister will reflect on it.

The new island will be 2 m above sea level—a metre higher than Malé—as a safeguard against the rising ocean. Commenting on the threat of rising sea levels in relation to the project, the President said:

> "There is encroachment of the sea on many islands, there is erosion of our beaches. We think the new Malé is sufficient for the time being. Of course we can't foresee what will happen 50 or 60 years from now."

We hope that the island will be safe in the future.

My hon. Friend and I visited a regeneration project on Dhiffushi island. The tsunami that hit south Asia in 2004 struck the Maldives on 26 December at 9.20 am. It destroyed lives and affected the livelihoods of a third of the population. The disaster severely affected the whole country, flooding all but nine islands—13 islands were completely evacuated. The tsunami claimed

*[Mr. David Amess]*

82 lives, left 26 people missing and displaced more than 15,000 people. It destroyed much of the country's physical asset base, including homes and entire settlements, public service utilities, such as hospitals, clinics and schools, transport and communications infrastructure, private businesses and livelihoods. The main industries of tourism and fishing were badly hit. The total asset loss is estimated at 62 per cent. of the Maldives gross domestic product.

One island that was very badly hit by the tsunami was the one that my hon. Friend and I were taken to. There we saw a wonderful project to look after people with mental health problems, and we also saw a number of other projects. However, I cannot emphasise enough to the Minister the fact that the people there are struggling. They need more help. None of the Ministers and officials whom we met asked for anything, but, given the financial constraints, my hon. Friend and I thought that our Government could be encouraged to do a little more than is being done at the moment. The reconstruction project was absolutely wonderful.

The Maldivian Government have proposed an investment programme of £200 million to meet the challenges caused by the devastating tsunami of three years ago. The work that has so far been completed on the land reclamation project has cost £33.25 million and the total cost of the project will of course be much greater than that.

I congratulate our Government on the way that they have responded to the challenges and helped the Maldivian Government so far. The British Red Cross was also absolutely magnificent in helping to construct new houses. The Government have done the very best that they can to support the Maldivian Government, but many more challenges need to be faced.

I shall end with a few remarks about the political situation. I want to praise my noble Friend Lord Naseby, who is the chairman of the all-party parliamentary group. He has already met one of the election commissioners and was very impressed by the meeting. The view is that there will probably be a bigger turnout when the elections are held next year than there would be in a British general election, and he was very impressed by the arrangements that are in hand. The Parliament and the President sit for five years, and the President is chief of state and the Head of Government. When a referendum was held on the way forward, there was a very high turnout and 90,000 voted for the new agenda and 60,000 voted against. The outcome was very satisfactory and new elections are scheduled for 2008. I hope that our Government will enthusiastically send observers to oversee the election process.

During the trip, my hon. Friend and I met the Speaker, the Foreign Minister and the Chancellor and we were given wide access to any number of officials. However, the Maldivian Government are concerned about Islamic fundamentalism.

I say to the Minister that there are many commercial opportunities for the United Kingdom. The desire for development, the relaxation of foreign investment regulations, the level of political stability and the extent of existing cultural ties mean that the Maldives is a very attractive location for UK foreign investment. I encourage UK firms to grasp that opportunity, and that opportunity is to unite with the Maldivian Government in what my hon. Friend and I regard as an early sight of paradise.

7.13 pm

**Mr. Brian Binley** (Northampton, South) (Con): I am most grateful to you, Mr. Speaker, and especially to the Minister for allowing me to take part in this debate. I thank my hon. Friend the Member for Southend, West (Mr. Amess) for securing it.

I am the secretary of the all-party Maldives group and although it is paradise, I can assure the Minister that work does take place in paradise. Indeed, we worked really quite hard and were well received wherever we went. As my hon. Friend said, the whole of society was opened up to us and we were taken wherever we asked to go. That is worth saying.

As the Minister will know, there have been political difficulties in the Maldivian system. I know that the British Government have been heartened by the fact that the country embarked on a change programme two or three years ago. I am delighted to report to the Minister that the change programme is moving on apace. A problem might be that we see the Maldives as not the perfect democratic nation, but it is striving to get there. As my hon. Friend said, the referendum was very successful and a massive proportion of the electorate took part. Hopefully, the elections in September 2008 will prove conclusively that the Maldivian people are in possession of a representative democracy of which they can be proud. This is thus a good time for us to help the Maldives, which was a protectorate for so long and where English is spoken. The fact that the Maldives looks to our country as a model and a great friend certainly came over to my hon. Friend and I.

What can we do? There is a real problem with education. There are about 80,000 pupils in Maldivian schools, but only up to secondary school level. Anyone who wishes to pursue further education to any extent must leave the country. When we asked the Minister, the honourable Abdulla Shahid, the areas of activity in which Britain might help, he suggested further education, especially in connection with British universities. We said that we would explore that area of activity, so my hon. Friend and I intend to contact our senior educational establishments. We are talking to foundations that might be able to help with the creation of a university college, or at least some attachment of that kind that could relate to a British university, given that the country uses British exams. We hope that something might come of that.

The Minister is involved in and appreciative of relationships with the Maldives. He is what we in Northamptonshire might call a good old boy—I hope that that is parliamentary language, Mr. Speaker. I know that the Minister is a kind man, so I wonder whether he might allow my hon. Friend and I to spend 10 minutes with him to determine whether we could pursue the possibility of working closely with our senior educational establishments with a view to helping the Maldivian people into the degree of higher education that is difficult for them to attain now.

I am grateful for your kindness, Mr. Speaker, and to the Minister. I look forward to hearing the Minister's response.

7.17 pm

**The Minister for the Middle East (Dr. Kim Howells):** May I join the hon. Member for Northampton, South (Mr. Binley) in congratulating the hon. Member for Southend, West (Mr. Amess) on securing the debate? I welcome the close interest of the hon. Member for Southend, West in the issues that have been raised. If he does not mind my saying so, it is always a pleasure to debate with him. He believes passionately in the causes that he champions, as does the hon. Member for Northampton, South. I do not always agree with the hon. Gentlemen, but I recognise the force of their arguments.

I am pleased to have the opportunity to respond to the debate on relations between the United Kingdom and the Maldives. Mention of the Maldives will readily evoke images of picture-postcard islands and crystal-clear water. We have heard such a description today. I have not had the opportunity to visit the country, but, hopefully, I will do so one day. I cannot remember whether this was mentioned, but 100,000 British citizens go there for a holiday every year, which in itself is a testament to not only the beauty of the islands, but their potential, which was the most interesting aspect of the hon. Gentlemen's speeches.

We enjoy excellent relationships with the Maldives, both bilaterally and through our shared membership of the Commonwealth. Many Maldivians hold Her Majesty the Queen and the United Kingdom in high regard. That is reflected at ministerial level, and through the close relationships between Foreign and Commonwealth Office officials and the Maldivian Government.

In his visit in July, President Gayoom had an audience with the Queen. He also met my noble Friend Lord Malloch-Brown, the Minister with responsibility for Africa, Asia and the United Nations, at the Foreign and Commonwealth Office. They reviewed our wide range of shared interests, which include education, trade, tourism and addressing the challenges of climate change. More recently, senior FCO officials met the new Maldivian Foreign Minister, Mr. Abdulla Shahid, and the Deputy Foreign Minister, Ms Dhunya Maumoon, who was educated in Britain. She is the daughter of the President and is married to a British national. Officials also met Mohamed Nasheed, who is the leader of the opposition Maldivian Democratic party.

I was interested in the suggestion that the hon. Member for Northampton, South, made about establishing closer contacts with UK universities; I could not agree with him more. We do not work hard enough at that. I will give him an undertaking: tomorrow night, I will have the pleasure of dining with the distinguished Professor Merfyn Jones, who is chairman of Higher Education Wales, which represents Welsh universities. I shall mention the subject to him, because he has done some pioneering work on contacts between Bangor university, of which he is the vice-chancellor, and Kuwait. Work is done on important maritime studies, and I have no doubt that issues such as climate change could easily be included.

The hon. Member for Southend, West, mentioned that the Maldivians are extremely concerned about climate change, and he gave us the most vivid example possible. While I was swotting for the debate, I read that no point in the Maldives is higher than 2.5 m. When we read some of the predictions of what will happen if sea levels rise, we see that climate change poses the gravest threat to life and commerce in the Maldives. I am glad that the hon. Gentleman mentioned the subject, and we want to work with him on it.

When I made inquiries with our officials, they said, "Look, as for contact between the Maldivians and us, we are no more than a phone call away." We have a very good relationship with the Maldivians, and it is not at a formal level. If they want to speak to us, they can do so at any time. I wanted to reiterate that in the House tonight, because it is an important point. We care a great deal about the Maldives. It has a very small population of 350,000, but as the hon. Member for Southend, West, pointed out, it has strong historical links with our country, and we want to nurture and strengthen those links.

I was fascinated to hear the hon. Gentleman's description of the new town that is set to grow, possibly with a causeway connection to the capital, Malé. That is an exciting prospect. The hon. Gentleman probably already knows, although I admit that I do not, whether the Maldivians are looking closely at the new developments in the Gulf, where causeways are being used to enlarge the available building land. He made an important point when he said that it is easy to run out of land. We may be talking about the biggest occupied atoll in the world, but that does not mean that there is a lot of land there for development. Clearly, we are talking about a country with aspirations—I will come to the points that the hon. Member for Northampton, South, made on that subject later. It aspires not just to become a more transparent and vigorous democracy, although I believe that it is that, but to feed itself and to ensure a sustainable economy. As the tourism industry grows, so will the population, probably—and why should it not? However, it will be a fine balance, because there is not much room. From our own constituencies, we all know how difficult it is to get land for development, even though we have such an abundance of it. For the Maldives, the problem is acute.

I am sure that the hon. Gentlemen and the entire House will join me in condemning the appalling bomb attack on 29 September that injured 12 tourists, including two British nationals. We offer our sincere condolences to those injured, some of whom are still recuperating from the attack. The bombers, whoever they were, do not represent the overwhelming majority of the Maldivian people, who reacted with horror to the attack. Their reaction was not only of great comfort to the victims, but sent an unambiguous message to the perpetrators that the Maldives is united against terrorism. My noble Friend Lord Malloch-Brown wrote to Foreign Minister Shahid on 4 October to express our gratitude for the generous and effective response of the Maldivian Government, the tourism industry and the Maldivian general public for their expressions of opposition to that outrage.

I join the hon. Member for Southend, West in saying that that attack did not represent the Maldives. Perhaps it was designed to try to weaken confidence in the Maldives and to tell people that they should not go there. We have seen the same tactics being used in Sharm el-Shaikh and elsewhere. I have been impressed by the determination of the Maldivian people in re-asserting that that is a country worth living in and one which has a great future.

*[Dr. Kim Howells]*

I echo the words of the hon. Member for Northampton, South—if it was the hon. Member for Southend, West, I hope he will forgive me—who paid tribute to the work of the noble Lord Naseby, whom we know well. He has done sterling work in helping our Government and the House to focus on helping the Maldives to achieve a more democratic and transparent system of government. That has been a remarkable achievement. As the hon. Member for Northampton, South told us, the transition has not been easy and there is a long way to go yet, but we appreciate the fact that President Gayoom has set in train an ambitious reform programme to adopt a new constitution and to institute multi-party democracy.

We should not underestimate the challenges in attempting to make the transition from a political system that was based heavily on patronage and state control to a multi-party liberal democracy in the space of just a few years. In some areas, such as freedom of expression and the media, the formation of political parties and the development of civil society, there has been good, albeit not always consistent, progress. We would like to see more movement in other areas. I understand that the new constitution is well on its way to being finished. I heard today that 13 chapters had been written. It is being put together by a constituent assembly, and the United Nations Development Programme has provided assistance in the drafting. That is encouraging news.

In August the Maldives constitutional referendum was the first national poll since the creation of political parties. The hon. Member for Southend, West asked whether we could send election observers out there. We would like to do that, but whether we can is another matter. It is an important issue. We would certainly support full Commonwealth or European Union election observation missions and British participation in those missions to observe what promises to be the first multi-party elections next year.

I am told, and the hon. Gentlemen have confirmed to me tonight, that because of the nature of Maldivian geography, with hundreds of small islands—I think that more than 200 are inhabited—an international observation team would not be able to cover the entire country. It is at least as important that there should be sufficient domestic observers, through the Maldives human rights commission and the political parties. I very much hope that we can take that forward.

*Question put and agreed to.*

*Adjourned accordingly at half-past Seven o'clock*

# House of Commons

*Thursday 18 October 2007*

*The House met at half-past Ten o'clock*

**PRAYERS**

[MR. SPEAKER *in the Chair*]

# Oral Answers to Questions

## TREASURY

*The Chancellor of the Exchequer was asked—*

### Tax Credits

1. **John Barrett** (Edinburgh, West) (LD): If he will make a statement on the findings of the Parliamentary Commissioner for Administration's report "Tax Credits: Getting it Wrong". [158859]

**The Financial Secretary to the Treasury (Jane Kennedy):** As the House knows, tax credits benefit some 6 million families and nearly 20 million people. We remain committed to continually improving the operational delivery of tax credits. I intend to respond positively to the ombudsman's report which, for example, makes useful recommendations on the changes to the proposed procedures for recovering overpayments. In the introduction to her report, the ombudsman states:

"I know from HMRC's response to my first report, and the dialogue that they have since continued to have with my Office, that they are committed to understanding and improving the customer experience."

I assure the House that I welcome the ombudsman's second report. It is a helpful and valuable tool that we will use to inform the development of the tax credit system.

**John Barrett:** I thank the Minister for that answer, but errors are still made in approximately 2 million of the 6 million claims for tax credits. As a result, many people entitled to tax credits do not apply for them. Will the Minister give the figures for my constituency—or for the whole of Edinburgh, including the Chancellor's constituency—for those who are entitled to, but do not receive, tax credits?

**Jane Kennedy:** I do not have that specific breakdown, but I can tell the hon. Gentleman that, in Edinburgh, West, 7,300 families and 12,200 children benefit from tax credits. He may also like to know that, in families with children whose household income is under £10,000, 97 per cent. of those entitled to the benefit and support of tax credits are receiving them.

**Hugh Bayley** (City of York) (Lab): In my constituency, 9,500 families get tax credits, worth an average of £3,000 a year. Recently, I surveyed the almost 150 constituents who have contacted me about tax credit problems: 94 per cent. said that they were satisfied with how their complaint was dealt with, and three quarters of the cases were resolved in the constituents' favour. Does my right hon. Friend agree that the real threat to tax credits is not miscalculation, which affects relatively few people, but the fact that everybody's tax credit would be at risk if the Conservatives were ever to get back to power?

**Jane Kennedy:** I agree with my hon. Friend, and am grateful for the detail that he has provided about customer satisfaction. However, I acknowledge that the ombudsman's report was highly critical, in particular of Her Majesty's Revenue and Customs' decision making about recovery of overpayments. I can tell the House that HMRC will replace the so-called and very disliked "reasonable belief test" with a clearer test that will set out customers' responsibilities for checking factual information. HMRC will play that information back to customers but, importantly, it will have a time limit for action on mistakes reported to it. I believe that that will lead to a fairer allocation of responsibilities between the customer and the Department.

**Peter Viggers** (Gosport) (Con): This is the most damning report, and all of us know from constituency experience that every word is justified—indeed, the language is very moderate. Do not the Government realise that if they give a couple of thousand pounds to a family, that is agreeable to the family, but if they want a thousand pounds back, that causes financial disaster? Will the Government recognise that with this complicated system, it is those who most need help who are least capable of dealing with its complexities?

**Jane Kennedy:** I acknowledge a degree of justice in what the hon. Gentleman says, but HMRC has taken note of customers' experiences and feedback in its response to the problem. That response has also been informed by the first report from the ombudsman and by the issues that hon. Members have raised with Ministers in this House. As my hon. Friend the Member for City of York (Hugh Bayley) rightly pointed out, the HMRC is responding in a way that is improving customers' experience, although I accept that we are not where we want to be when it comes to the delivery of services. A further improvement will follow from the pilot that HMRC began in March and, under the transformation programme, people who report that their household has broken down will be allowed from November to terminate their old joint claim and make new, single claims in one telephone call. So far, more than 70 per cent. of customers involved in the pilot suffered no break in their payments and their new claims were processed within a week. I think that the result will be a material benefit to the more than 170,000 tax credit customers who, unfortunately, find themselves in those circumstances, and we are working to improve the system all the time.

**Mr. Lindsay Hoyle** (Chorley) (Lab): May I say to my right hon. Friend that, when tax credits work, they work very well and are welcomed by everyone, but that the big problem arises when they go wrong, as they stay wrong even when every effort is made to put them

right? I look forward to hearing her say that more money will be made available for training and that the software involved will be refined. That is needed because, at present, it fails to recognise when a problem has been rectified. Those are the difficulties that we need to concentrate on, so will she use her good offices to put them right?

**Jane Kennedy:** I will certainly do that. I assure my hon. Friend that we acknowledge and accept that training is an important aspect of the improvements that HMRC can bring to the customer experience. Indeed, training will be ongoing over the next few weeks to deal with a number of issues across tax credits. However, that is not the only area that we will improve. A lot of work is going on, and I commend the staff of the tax credit offices for their enthusiasm in bringing about improvements to the tax credits customer experience.

**Mr. David Laws** (Yeovil) (LD): Does the Minister accept that there is absolutely nothing in the ombudsman's report that we and the Prime Minister have not known about for the past two or three years? Why has it taken so long for the Government to get on top of the shambles that has seriously affected many of the people whom the tax credit system was designed to serve? When will the Minister give this new guidance, and will she assure us that she will first consult hon. Members who are concerned about the issue? Will she respond to the ombudsman's recommendation—

**Mr. Speaker:** Order.

**Jane Kennedy:** The hon. Gentleman asks a series of questions. I will have to check *Hansard* if I am to respond to all of them—obviously they were part of his leadership campaign.

The take-up of tax credits is at an unprecedented level. New figures that were published in March showed that 97 per cent. of families on incomes below £10,000 were claiming their entitlement to child tax credits. The changes that I have proposed today, the detail of which will become public after we have finished the consultation with the ombudsman and other organisations with which we are engaged, will improve the way in which customers of the tax credit system are dealt with when overpayments are made. There is a range of reasons why an overpayment can occur. However, the House acknowledges—indeed, the Conservative party has come to acknowledge—the value of tax credits in tackling the serious problem of poverty in society.

**Justine Greening** (Putney) (Con): For the past two years, HMRC accounts have had to be qualified by the Auditor General because of the tax credit shambles that the ombudsman described in her latest report. The Minister does not sound confident, but can she assure the House that it will be possible to sign off next year's accounts?

**Jane Kennedy:** I accept that a position in which the accounts are not signed off is not a good place to be. We are working to bring about changes that will enable the tax credits office to correct that situation. I welcome the Conservative party's acknowledgment that poverty is a threat that challenges society. It also now accepts that tax credits are proving highly successful in combating child poverty. I go further and welcome the comments of the right hon. Member for Witney (Mr. Cameron) on Tuesday 16 October:

> "Do not tell me that a society which can decode the human genome...build the world's greatest financial centre...and provide the young men and women that form the finest armed forces on earth...cannot fight and win the battle against poverty."

That is precisely what we in government are doing.

## Education and Training

2. **Laura Moffatt** (Crawley) (Lab): What recent assessment he made of the impact on the economy of providing education and training for 16 to 18-year-olds. [158860]

**The Exchequer Secretary to the Treasury (Angela Eagle):** By 2020 the economy will need 5 million more people with higher-level skills. Since 1997, 150,000 more 16 to 18-year-olds are in education or training, and the number of young people in apprenticeships has more than trebled to 250,000. Over the same period, the UK's gross domestic product per capita has risen from being last in the G7 in 1996 to second only to the US in 2006. To close the gap further, we have committed to expanding the scope of educational and development opportunities for all. We will therefore deliver 3.7 million adult qualifications over the forthcoming comprehensive spending review period.

**Laura Moffatt:** I am grateful for my hon. Friend's reply because with the excellent stewardship of Russell Strutt, the principal of Central Sussex college, which has a campus in Crawley, 34 per cent. of 16 to 18-year-olds attending that college receive education maintenance allowances. The allowances have played a significant role in keeping our 16 to 18-year-olds in education, which improves not only their life chances, but the economy of the Gatwick diamond area. Does my hon. Friend agree that that is wise spending for any Government?

**Angela Eagle:** My hon. Friend is exactly right. The positive effect of education maintenance allowances is there for all to see—I see it in my constituency. They enable those who might not have been motivated in the past to stay on and get the qualifications and training needed in a modern economy to do just that. That benefits not only those individuals and their potential earning power later in life, but our economy.

**Mr. Mark Field** (Cities of London and Westminster) (Con): I know that the Minister makes great play of the success of the new deal, but does she not recognise the importance of skills that people in their 20s and 30s can take forward? Does she not agree that one of the biggest social concerns here in the capital city is that while literally hundreds of thousands of people come from eastern Europe to take on relatively unskilled jobs, we have the highest level of unemployment—8.5 per cent.—of any region in the UK?

**Angela Eagle:** To drive down rates of unemployment, it is important that we give our young people and young adults the education, training and access to opportunities

that they need in a modern economy. I am surprised that the hon. Gentleman did not welcome the fact that we have created 2.6 million extra jobs, and that levels of employment are the highest seen in the economy for many years. I would have expected him to at least acknowledge the Government's success in terms of employment.

**Dr. Ashok Kumar** (Middlesbrough, South and East Cleveland) (Lab): Given the importance of engineering to the economy, what efforts is the Minister making to promote engineering among 16 to 18-year-olds, so that we can ensure that our youngsters have those skills in future, and take them up in the economy?

**Angela Eagle:** As we move forwards, it is important to ensure that education and skills training fits high-value jobs and employment opportunities. We and colleagues in the Department for Innovation, Universities and Skills are working closely with employers involved in the train to gain initiative to develop the new diploma, and to ensure that our 250,000 apprenticeships are properly based and focused on high-value jobs. Those are the jobs that we wish our youngsters to be trained for in future. I assure my hon. Friend that manufacturing, technology and engineering feature strongly in our efforts.

**Mr. Graham Stuart** (Beverley and Holderness) (Con): The number of 16 to 18-year-olds who are not in education, employment or training rose by 40 per cent. between 1997 and 2006. Given the increase in the number of 16 to 18-year-olds in that invidious position, and in light of those unacceptable facts, how can the Minister justify the spending on the new deal for young people?

**Angela Eagle:** First, I would question the hon. Gentleman's facts. There has in fact been a fall in the number of people who are not in education, employment or training as a percentage of the population concerned in the past 10 years. He also has to recognise that 625,000 more youngsters are in education and training than were 10 years ago, and 189,000 more are in work. He needs to remember that the category of those not in education, employment or training includes parents who are caring for their children, people who are in part-time training, people who have disabilities, and people who are off on gap years.

## Financial Advice

3. **Dr. Ian Gibson** (Norwich, North) (Lab): What steps he is taking to promote the provision of high-quality financial advice. [158861]

**The Economic Secretary to the Treasury (Kitty Ussher):** The Government are committed to providing high-quality financial advice to all sections of society. That is why we commissioned the independent expert, Otto Thoresen, to examine the feasibility of a high-quality national generic financial advice service. His interim report is due shortly, and his final report is due in the new year. We will respond next spring.

**Dr. Gibson:** I thank my hon. Friend for that answer, but I am extremely concerned about the situation that the Norwich and District citizens advice bureau faces, and I am sure that what I say about Norwich is true of other places across the country. The number of cases dealt with by the debt advisory services has gone from 24,000—that is the average at Carrow road, which is where Norwich City football club's ground is—to more than 30,000 in the past year. We need guidance on keeping the services going, on helping the advisers, on credit unions, perhaps, and on informing the public of what is available to them. The services are in crisis management and it is not tolerable.

**Kitty Ussher:** I agree with my hon. Friend, and that is one of the reasons why last week's pre-Budget report included, I am delighted to say, an announcement of £130 million for our financial inclusion fund over the comprehensive spending review period. That is up from £120 million in the current period. The current fund has been used to pay for about 500 debt advisers across the country. I do not know about the situation in Norwich, but I am happy to look into it. We will decide how to spend the additional money by the end of the year. I would have thought that the availability of those funds would enable us to continue, if not increase, the provision of advice that is already available.

**Sir Peter Tapsell** (Louth and Horncastle) (Con): Do the Chancellor and the other Treasury Ministers recall that in past years, their party attached tremendous importance to the ownership of the commanding heights of the economy? What is their policy now towards sovereign wealth funds? Are they taking expert legal advice on how to treat them, bearing in mind that the United States, Germany, France and Japan will not allow their major companies to be bought by foreign Governments, but we, apparently, are contemplating doing so?

**Kitty Ussher:** I was wondering when the hon. Gentleman would get to the European examples. I was not part of Militant Tendency myself, but I am clear about our current policy. As my right hon. Friend the Chancellor made clear earlier this year, we welcome investment into Britain. We think our country is richer as a result of having open borders, inward investment and open trade. That is our policy, whether it is a sovereign wealth fund or any other that invests in Britain.

**John McFall** (West Dunbartonshire) (Lab/Co-op): The Minister may be aware that the Treasury Committee produced three reports on financial inclusion in 2006 alone. We are pleased to note that the Government have taken up a number of the initiatives proposed. The main conclusion of those reports is that poorer people are excluded from financial services. With that in mind and in advance of Otto Thoresen's report, does my hon. Friend agree that generic financial advice not tied to particular sales products is the most effective building block in creating an effective financial inclusion strategy?

**Kitty Ussher:** I agree with my right hon. Friend, and I congratulate him and his Committee on the important work that they are undertaking. The answer to his question is yes, and that is why we have commissioned Otto Thoresen to do his work. He has made it clear that he sees a need for so-called generic financial advice that is not tied to a particular product. We are currently working out the best means of

providing that in a way that is accessible to everyone, with different delivery channels depending on the needs of the individual. I look forward to working with him and his Committee in developing these proposals further.

**Julia Goldsworthy** (Falmouth and Camborne) (LD): Of course we welcome the Government's belated attempts to ensure that all families have access to genuinely independent generic advice, but surely that is just one side of the coin when some banks are behaving so irresponsibly? In light of the Chancellor's comments in the *Daily Mail* this morning, does the Minister agree that when her Department made the decision to bail out Northern Rock with taxpayers' money, it should have done so on the condition that the board and senior management were dismissed?

**Kitty Ussher:** No, absolutely not, because it is the board and the management that are responsible for the company. We are not interested in acting as shadow directors or in any way limiting the freedom of the private sector to work effectively. We took the actions that we took in the public interest to guarantee deposits and prevent contagion in that bank.

**Mr. Dennis Skinner** (Bolsover) (Lab): On behalf of my hon. Friend the Member for North-East Derbyshire (Natascha Engel) and myself, I congratulate the Government on accepting our sound financial and employment advice, with the result that we have saved the jobs at the Markham tax office from today. It is a wonderful achievement. Whatever she does, my hon. Friend the Minister should not take any financial advice from the Notting Hill finance group. Therein lies a problem. We would finish up with 3 million unemployed, mortgage rates at 10 per cent. and Black Wednesday.

**Kitty Ussher:** I could not agree more. I congratulate my hon. Friend and my hon. Friend the Member for North-East Derbyshire (Natascha Engel) on the success of their local campaign. I can reassure my hon. Friend the Member for Bolsover (Mr. Skinner) that I have no intention of taking any financial advice from the Opposition, particularly their leader, who I understand was advising the then Government on Black Wednesday.

**Mr. Mark Hoban** (Fareham) (Con): The Minister and I agree on the need for people to have access to high-quality financial advice, but did she read last week about the tragic case of a Mr. D of Westminster who, following poor advice from his neighbour, increased capital gains tax paid by successful entrepreneurs and cut it for those who sell their second homes? What does she think she can do to make sure that Mr. D and his colleagues get better advice next time round?

**Kitty Ussher:** I am entirely confident that we acted on the best possible advice. I remind the hon. Gentleman that the headline rate of capital gains tax, even after the changes, is still half what it was when his party was in power. Capital gains tax is now simple and sustainable, and it is one of the most competitive rates internationally. The annual exemption remains at £9,200.

**Inheritance Tax**

4. **Lynne Jones** (Birmingham, Selly Oak) (Lab): What he expects the annual cost to be of the increase in the inheritance tax thresholds announced in the pre-Budget report beyond those announced prior to the pre-Budget report. [158862]

**The Chancellor of the Exchequer (Mr. Alistair Darling):** The costs are published in the pre-Budget report, and 12 million married couples and civil partnerships will benefit from a combined inheritance tax allowance of up to £600,000, rising to £700,000 in April 2010. The entitlement will also extend to all 3 million widows and widowers.

**Lynne Jones:** The reliable figure that I have for the total cost is £1.4 billion—I am disappointed that my right hon. Friend was unable to give it—which is a similar sum to the cost of introducing long-term care. Why are the Government spending money on Tory priorities, when they could be spending money on much fairer measures to help people whose inheritance is less than £300,000 and who risk losing even that should they need long-term care?

**Mr. Darling:** Not for the first time, I do not agree with my hon. Friend, and she will not be surprised to learn that. We should recognise the fact that husbands and wives contribute to assets held by the family, including the family home, and I therefore think it right that, in the event of a widow's death, she can use her husband's unexpired inheritance tax allowance, effectively increasing the amount of money that can be deducted from any tax liability. As a result of what we are doing, the allowance covers the value of about 97 per cent. of houses in this country, which is the right thing to do. I also think it right to help people who need long-term care, and we have increased the amount of money available to do that.

**Mr. Michael Fallon** (Sevenoaks) (Con): Will the Chancellor confirm that the press notice accompanying the March Budget proposals on inheritance tax described them as "fair and targeted" and stated that they will give certainty to families "up to 2010-2011"? Does his claim that his sudden panic doubling of the allowance had nothing to do with the announcement by the shadow Chancellor eight days before give us a completely new definition of political serendipity?

**Mr. Darling:** Just before yesterday's football, I tuned into MPTV, where I saw the hon. Gentleman trying to run that line while questioning Treasury officials—and rather unsuccessfully, at that. The Budget earlier this year set out proposals to increase the allowance. It has always been the case that all taxes are kept under review. I decided at a very early stage that that was the right thing to do on inheritance tax, which is why I did it. The big difference between the Government and the Opposition is that we can make that change, because we can afford to do so. The Conservative proposals would cost more than £3 billion, and they have failed to identify any credible source for raising that money, which adds to the black hole in their finances. They have promised more than £6 billion in tax reductions, but they have offered no convincing explanation of how they would meet that gap.

**Paddy Tipping** (Sherwood) (Lab): What assessment has the Chancellor made of financing lifting the threshold even further to £1 million?

**Mr. Darling:** As I have said, it is, of course, open to any political party to make proposals to increase the threshold, but they must ask themselves where the money would come from. The Conservatives have not identified any credible source for raising anything like the £3.5 billion that they promised in just one conference speech. It is possible to spend an extra £1 billion, but most of the benefit would go to a small minority of estates over £850,000. Both because it would be inequitable to do that and, crucially, because it could not be afforded, it would be wrong to accept the Conservative proposals. All political parties get into huge trouble when they start making promises that they cannot possibly afford. If they do that, they will end up increasing borrowing, putting up interest rates and putting up mortgage rates, which is exactly what happened to the Conservatives in the early 1990s.

**Dr. Julian Lewis** (New Forest, East) (Con): Would the Chancellor like to uncross his fingers, look you, Mr. Speaker, straight in the eye and assert that the Government would have made their inheritance tax announcement if the Conservative Opposition had not made their promise to raise the threshold to £1 million?

**Mr. Darling:** Yes, I would. It is right to recognise that, in this day and age, most husbands and wives contribute to the family assets. If a husband who has not used up his allowances dies, his wife should be able to inherit them. The key difference between us and the Conservative party is that we can make those tax reductions because we can afford to. The Conservatives have now made tax promises worth more than £6 billion, yet they have no idea how they will be able to finance them.

**David Taylor** (North-West Leicestershire) (Lab/Co-op): The raising of the inheritance tax thresholds has certainly been driven by a tripling of UK house prices in the past 10 years or so. Has the Chancellor seen this morning's international report suggesting that UK house prices are about 40 per cent. higher than they should be economically? Would any amendment be made to inheritance tax policy if house prices drifted down in the next few years, as some people suggest they will?

**Mr. Darling:** I read yesterday's report for this year from the International Monetary Fund—which, incidentally, says yet again that the UK economy will be the fastest-growing major developed economy. Although it has, of course, cut its growth expectations for next year, it also recognises that the UK economy is fundamentally strong and will continue to grow. The IMF's projections are very much in line with those that I set out to the House last week. On housing, it is encouraging that we are in a position quite different from the one we were in 10 or 15 years ago, when 3 million people were out of work, interest rates hit 15 per cent. and mortgage rates made it very difficult for people to meet their repayments. As I said last week, the UK economy is in a much stronger position than it was at that time. As the IMF recognises, we will get through this time of international uncertainty.

**Mr. Philip Hammond** (Runnymede and Weybridge) (Con): The capital taxes structure of the Chancellor's inheritance tax proposals extends the recognition of marriage. Do the Government believe that the case for recognising marriage through the tax system is a moral one?

**Mr. Darling:** The tax system, which includes inheritance tax, has always recognised marriage. It is important that we recognise and support marriage, but we have always made it clear that we should not discriminate against children simply because of their family circumstances. Since 1997, we have done all we can—through tax credits or child benefit—to help families with children, because that gives children the best possible start in life.

**Mr. John Redwood** (Wokingham) (Con): What is the Chancellor's forecast of house prices that underlies his forecast of revenues for the next two years? In the light of his recent comments that I have heard, he thinks that house prices will fall: by how much, and over what period?

**Mr. Darling:** I did not say that. All the projections were set out in last week's pre-Budget report. Many people expect the housing market to slow, and we cannot be sure what the full effect will be of the problems that started in the United States. In my interview that appeared in today's *Daily Mail*, I said that lenders must be realistic when they offer loans. They must be confident that the asset is sufficient to repay the loan and that the repayments can be met. A little realism would be extremely helpful not only for individuals but for the housing market in general.

## Income Tax

5. **Tom Brake** (Carshalton and Wallington) (LD): What estimate he has made of the impact on disposable income of changes in the rate of income tax since 1997. [158863]

**The Chancellor of the Exchequer (Mr. Alistair Darling):** As a result of personal tax and benefit reforms since 1997, households are, on average, £1,050 per year better off. Following the publication of September's inflation figures, I can announce that from next April the basic state pension will rise by £3.40 to £90.70 a week, and by £5.45 to £145.05 a week for a couple. Full details of all the upratings are published today.

**Tom Brake:** I thank the Chancellor for his reply. Is he concerned about the uSwitch report, which says that people's disposable incomes are at their lowest level for 10 years? Since Labour came to power, council tax has doubled, home prices are, as we have just heard, 40 per cent. above a realistic value according to the IMF, and people are spending a fifth of their disposable income on servicing debt. Sir Alan Greenspan, the former head of the US reserve, believes that there is a 50 per cent. chance of a recession in the USA. What probability does the Chancellor think there is of a recession in the UK?

**Mr. Darling:** Disposable income in this country has risen by 25 per cent. since 1997. As the hon. Gentleman will know, many measures, including tax credits, have helped families, particularly families on low incomes with children. That is very important.

As for council tax, we have increased the amount of money available to councils to keep down the level of increases. I made it very clear last week that I see no reason why councils should have to increase their council tax to unacceptable levels. I would say to the hon. Gentleman, who represents the Liberal party, that when one looks at the detail of the Liberal party's policy, one will find that people who would not consider themselves to be terribly well off would be considerably worse off as a result of a local income tax.

## Child Trust Fund

6. **Mr. Siôn Simon** (Birmingham, Erdington) (Lab): What assessment he has made of the impact of the child trust fund on family saving patterns in the UK. [158864]

**The Economic Secretary to the Treasury (Kitty Ussher):** There is no doubt that our policy on child trust funds has increased levels of saving. Before the scheme was introduced, 30 per cent. of children had no savings accounts; now everybody will, regardless of their background, with more than 3 million accounts already being opened for our children. The data that will be published next week on additional contributions by families into accounts will enable us to assess the continuing impact of child trust funds on family saving patterns.

**Mr. Simon:** I thank the Minister for that. I invite her to come to Erdington to try to help explain to ordinary families how important it is to top up their child trust fund, particularly in the many communities such as mine where almost one in two of those ordinary families do not have anybody in work.

**Kitty Ussher:** I would be extremely happy to take up my hon. Friend's invitation to come to his constituency; it would be a pleasure. In recognition of the difficulties faced by low-income families, the Government give double contributions to children with child trust funds—£500 at birth and £500 at age seven compared with £250 for other families.

My hon. Friend makes an extremely valid point about encouraging family members and friends to top up their children's accounts. That is why, alongside my right hon. Friend the Secretary of State for Children, Schools and Families, we recently announced £11.5 million for education about the financial implications of child trust funds so that we can encourage the families of the children with such funds to understand that a small amount invested now could make a huge difference later. I will write to my hon. Friend and to all Members of the House to encourage them to take a personal lead in ensuring that their constituents understand the benefits of making small contributions when a child is young so that they have a significant asset at the age of 18.

**Mr. Andrew Love** (Edmonton) (Lab/Co-op): My hon. Friend has had for several months the results of the second pilot for the savings gateway. I understand that that shows a very positive benefit for family savings. When can we expect those pilots to be rolled out nationwide so that families can take advantage of them?

**Kitty Ussher:** I am grateful to my hon. Friend for his comments. As the Chancellor announced in the pre-Budget report last week, we are commissioning the necessary technical work to understand how and when a national roll-out could be implemented and when it could happen according to the technical requirements. My predecessor said with regard to the savings gateway that it is not a question of if, but when. I share that view.

## Business Taxation

7. **Mr. Stewart Jackson** (Peterborough) (Con): What assessment he has made of the likely impact on the competitiveness of the UK economy of the changes to business taxation announced in the pre-Budget report. [158865]

**The Chancellor of the Exchequer (Mr. Alistair Darling):** The economy is expected to grow at a faster rate than any of its G7 competitors in 2007, as confirmed in the IMF's "World Economic Outlook", which was published yesterday. Last week, I announced several measures to help to maintain that environment and to promote a fairer and simpler tax system.

**Mr. Jackson:** By giving capital gains tax breaks to benefit business speculators and buy-to-let investors while punishing businesses seeking to invest in the long term, is not the Chancellor putting short-term political expediency before the long-term stability of our economy?

**Mr. Darling:** No, 18 per cent. is less than half the headline capital gains tax rate that we had 10 years ago. It is competitive in terms of the other developed countries. Somebody who starts up a business, develops it and then sells it keeps 82 per cent. of the gain that they make. There is a personal allowance of £9,200, which will especially help people who have employee share ownership schemes. There is also roll-over relief, which allows somebody who is selling a business and wants to reinvest their money back into capital gains to do so. The change that we announced is the right thing to do. It simplifies the tax system, which will bring long-term gains to our economy.

**Mr. David Kidney** (Stafford) (Lab): Has the Chancellor seen the welcome that the Chartered Institute of Taxation gave to his approach to tax simplification for businesses? Do businesses not clamour for simplification of their taxation? Does he agree that even when proposals have many more winners than losers, it is still a good idea to consult on them?

**Mr. Darling:** The proposal that we have put forward has been welcomed in many quarters. Indeed, I noticed that the Conservative party's tax reform commission criticised the present system, calling it a

"current complex system of taper relief and indexation."

The change is justified, will make a difference and will make the system easier for people to understand. Apparently, 75 per cent. of the people who pay capital gains tax find it so complex that they have to consult a lawyer or accountant. When something reaches that degree of complexity, we need to examine it, and this is the right thing to do.

**Mr. Philip Dunne** (Ludlow) (Con): As there are potentially more than 10 million losers from last week's proposed changes to capital taxation—6 million in employee share schemes and 4.5 million owners of small and medium-sized enterprises—has the Chancellor calculated how many gainers, such as second-home owners or owners of substantial investment portfolios, there will be?

**Mr. Darling:** The hon. Gentleman mentioned employee share option schemes, which I have always supported. As the capital gains tax has an annual allowance of £9,200, it is highly unlikely that many employees in such schemes would exhaust that and therefore have to pay capital gains tax. The tax is paid by a comparatively small number of people and the allowance does protect the people whom I am sure everybody in the House would like to support.

**Stewart Hosie** (Dundee, East) (SNP): The Chancellor will be aware of the comments made by Scottish Financial Enterprise, the Scottish Chambers of Commerce, the Institute of Directors, the CBI, the Federation of Small Businesses in Scotland, and others about the capital gains tax changes, particularly those on the potential damage to SMEs, which are the bedrock of the Scottish economy. Will he listen to those organisations, and if they can make a credible case that the changes will lead to reduced competitiveness or weakened investment, will he be prepared to review the decision that he took last week?

**Mr. Darling:** I am always happy to listen to what Scottish businesses have to say, but I should tell the hon. Gentleman that the number of SMEs has grown by 21 per cent. in this country—there are now more than 760,000 more—and they have gained from a wide variety of measures that support them. Yesterday, I was interested to see a Conservative party press release that said that, according to something called the Entrepreneurs Organisation, if taper relief were to be scrapped, 33 per cent. of the people surveyed would emigrate. I was concerned about that, so I looked up the survey on the website and found that the Conservatives relied upon a survey of 12 people. Moreover, it was carried out three months before I made my announcement, and when I checked to see what the 12 people were saying, I found that one of them had said:

"The UK is a marvellous place to start a business".

The Conservatives need to do some homework before they start criticising our proposals.

**Mr. Andrew Mackay** (Bracknell) (Con): Why does the Chancellor think that he has managed this amazing feat of uniting the CBI, the Institute of Directors, the Federation of Small Businesses and the British Chambers of Commerce in condemning his capital gains proposals? Between now and next April, when he is due to implement the proposals, in which month does he think he will have to withdraw them?

**Mr. Darling:** I have made my proposals because I think that they are the right thing to do. Having a single rate of capital gains tax is right. It will help businesses and, taken together with other measures that we have put in place that help businesses, especially those that are starting up, it will be good for the economy. As I said, one of the single biggest things that helps business in this country is the fact that we have a strong, stable economy, precisely because we have not made irresponsible promises on tax and spending, which would undermine the stability upon which businesses depend.

**Mr. George Osborne** (Tatton) (Con): May I press the Chancellor on the one part of his pre-Budget report that was not written by us? The four leading business organisations in the United Kingdom say that the capital gains tax increase came as a

"bolt out of the blue"—

the point made by the hon. Member for Stafford (Mr. Kidney)—and will

"set back the growth of the economy over coming years by discouraging long-term investment".

Even the Chief Secretary—we welcome the candour that he brings to his job—says that

"Yes, there is a tax rise"

and

"Yes, there will be losers".

Is that correct? Who will lose out?

**Mr. Darling:** As I said, I believe that having a single rate for capital gains tax is the right thing to do. There are personal allowances of £9,200 and a continuation of roll-over relief that enables people who sell their business and want to re-invest to do so. Inevitably, whenever changes are made to the tax system and the rate is simplified, there will be people who do not like the changes, but they are the right thing to do in the long-term interests of business.

**Mr. Osborne:** The Chancellor did not actually answer my question and spell out who will lose out, so I will have to do it for him. Millions of small businesses will lose out, and millions of employees who have shares in their company could be at risk. The whole entrepreneurial culture that the previous Chancellor used to bang on about from the Dispatch Box is under threat. That is why the Government's small business adviser says that the change will penalise investment and Labour Members on the Select Committee are urging the Chancellor to reconsider. Even his good friend the Secretary of State for Business, Enterprise and Regulatory Reform is now lobbying the Treasury to reconsider. Why does the Chancellor not admit that he has made a mistake on capital gains tax and get the U-turn out of the way quickly? The latest survey of business opinion shows that fewer than one in five think that he understands business. He has ceded so much of the political and intellectual agenda to us: why not cede a little more?

**Mr. Darling:** If I were the hon. Gentleman, I would not rely over much on surveys if they consist of asking 12 people what they think about a proposal that had not even been promulgated at the time that they were

questioned. When we find that one person seriously considered emigrating, we can hardly be impressed by that.

In relation to the proposals generally, I think that simplifying the tax system is necessary and a single rate of capital gains tax is the right thing to do. Although I accept that some people are not entirely happy about it, others have welcomed the proposal, and therefore I intend to proceed with the changes that we are making. In the long term, they will benefit businesses, along with all the other measures that we are taking to support business—not just small businesses, but larger companies, through the reduction in corporation tax.

## Council Tax

8. **Greg Mulholland** (Leeds, North-West) (LD): What estimate he has made of the impact on disposable income of changes in the levels of council tax since 1997. [158866]

**The Chief Secretary to the Treasury (Andy Burnham):** Between 1997-98 and 2005-06, average net council tax paid by households has increased by £6 a week in real terms. Over the same period, disposable income increased by £90 a week in real terms.

**Greg Mulholland:** I thank the Chief Secretary for that answer, but the Chancellor has already said this morning that councils should not have to keep raising council tax. However, in the pre-Budget statement, he said that it will rise by up to 5 per cent. every year. The average council tax bill for a band D property was £688 in 1997 and it will be £1,529 at the end of the comprehensive spending review—an increase of 122 per cent. How can the Chief Secretary justify that burden, and when will the Government show leadership and introduce a fair and sensible system of local taxation?

**Andy Burnham:** May I correct the hon. Gentleman? The Chancellor did not say that council tax would increase by 5 per cent. He said that the resources made available in the spending review will allow councils to keep rises substantially below 5 per cent.

In the three years of this spending review, including the current year, we have seen three of the four lowest council tax rises on record. I know that the hon. Gentleman and his colleagues like to blame us for everything, but I hope that he will accept that his party has some responsibility in these matters. I gently point out to him that the average council tax per dwelling for 2007-08 in Labour areas is £938, but in Lib Dem council areas it is £1,139—a grand total of £199 more.

**Miss Anne Begg** (Aberdeen, South) (Lab): I can add to what the Chief Secretary said. In Aberdeen, under a Liberal council, our council tax is far higher than it ever was under a Labour council. What assessment has my right hon. Friend made of the impact on disposable income of a local income tax, if it were to be introduced? In particular, what would the impact be on families where both parents are working, at a time in their lives when expenditure on such things as a mortgage or bringing up children is probably at its highest?

**Andy Burnham:** My hon. Friend is right to raise such matters. It is important that we proceed with great caution in this area, and explain clearly to the public the implications of any changes to the council tax system. To amplify her point, I shall quote from the Lyons report, in which Sir Michael Lyons concluded:

> "I am not convinced, for example, that a pensioner household with a relatively modest income but significant savings or housing equity, is less able to pay than a young family with a larger income but no other assets. In this light I have some concerns, about whether abandoning property taxes for income taxes would be fair; in practice, this might simply replace one sort of perceived unfairness with another."

Members on the Opposition Benches would do well to read and reflect on Sir Michael's comments.

**Miss Julie Kirkbride** (Bromsgrove) (Con): I remind the Chief Secretary that in places such as Worcestershire, the council tax has more than doubled since 1997, which places a terrific burden on pensioners, who have not seen their pensions go up by 100 per cent. He might remember that back in 2005, the Government deemed that the burden of the council tax on pensioners was such that they should be eligible for £200 help towards it. However, since 2005, this help has not been forthcoming. Can the Chief Secretary explain why?

**Andy Burnham:** The Government have made help available to pensioners to deal with the council tax through council tax benefits. The council tax benefit rules are more generous for pensioners in that, if the claimant is over 60 and receives the guaranteed element of pension credit, there is no upper limit on the amount of capital that they may have.

We are helping pensioners through the council tax system, but I also gently point out to the hon. Lady that, whereas the average council tax per dwelling in 2007-08 in Labour areas is £938, in Conservative areas it is £1,200—although that is slightly lower than in Lib Dem areas. I ask her for a little more humility in these matters, and more acceptance of the responsibility of the effects of her colleagues' political decisions.

**Dr. Nick Palmer** (Broxtowe) (Lab): Does my right hon. Friend agree that one of the technical factors that tends to cause council tax increases in some areas is the operation of the floors-and-ceilings regime? It is intended to aid the transition to appropriate funding for local authorities, but over a long period—in the case of Broxtowe, five years—it has the effect of leaving the council underfunded. Will he raise that issue in discussions with his colleagues in the Department for Communities and Local Government?

**Andy Burnham:** I thank my hon. Friend for his question. Having attended last week the cross-party group SIGOMA, the special interest group of municipal authorities, which represents a number of councils, I am more familiar than I ever wanted to be with the effects of damping, double damping and floors and ceilings. Now that the overall allocations have been made to Departments in the spending review, the matters that he raises are primarily the responsibility of the Secretary of State for the Department for Communities and Local Government. I am sure that the representations that he, along with other hon. Members, is making about the fairness of the allocation system for the fund will be heard during the course of the next few weeks and months.

### Efficiency Savings

10. **Mark Pritchard** (The Wrekin) (Con): If he will make a statement on the level of efficiency savings required from local authorities in 2008-09. [158868]

**The Exchequer Secretary to the Treasury (Angela Eagle):** "Delivering Value for Money in Local Government" sets out the expected value-for-money savings for the years covered by the comprehensive spending review, and has been published on the Department for Communities and Local Government website. The target of 3 per cent. of net cash-releasing savings per annum is consistent with the wider public sector target. The relevant figures for 2008-09 show net cash-releasing savings of £1.1 billion resource and £0.4 billion capital.

**Mark Pritchard:** Will the 3 per cent. efficiency saving target be applied after the revenue support grant is given to councils or will it be top-sliced off the national RSG settlement before it is distributed to councils?

**Angela Eagle:** The distribution of the revenue support grant has been decided in the comprehensive spending review by an examination of the potential for efficiency savings and the pressures on specific individual resources. That has led to the 1 per cent. real-terms increase in the comprehensive spending review 2007 for local authorities. If the hon. Gentleman was accurate and top-slicing had occurred, the settlement would be minus 3 per cent.

### Skills

11. **Richard Burden** (Birmingham, Northfield) (Lab): What recent assessment he has made of the economic impact of the quality and range of skills of the UK work force. [158869]

**The Exchequer Secretary to the Treasury (Angela Eagle):** As Lord Leitch set out in his independent report about the United Kingdom's long-term skills needs, the improving skills profile in the UK work force over time has contributed to economic growth. The Government will increase expenditure on higher education and adult skills in England by more than £2 billion in the next three years. That will support further improvements in the UK skills base at all levels.

**Richard Burden:** I warmly welcome the investment in skills that was announced in the past week. Does my hon. Friend agree that, if we are to use the money effectively, it is important to point out that the skills required for excellence in our traditional manufacturing such as engineering and automotive are highly transferable to growth areas—for example, environmental technologies? Does she also agree that making that link in practice in our initiatives is important not only for prosperity but for raising aspiration in industrial areas, such as mine and hers, that are undergoing transition?

**Angela Eagle:** I could not agree more with my hon. Friend. In passing, I note that the National Skills Academy for Manufacturing was formally launched this year and that its head office is in the west midlands. One of the pilot areas for the train to gain technical level 3 skills in the workplace is also in the west midlands. Nearly 7,000 west midlands businesses have been engaged with 8,000 low-skilled employees to improve their basic skills.

### Council Tax

12. **Mr. John Whittingdale** (Maldon and East Chelmsford) (Con): What estimate he has made of the impact of the spending plans announced in the comprehensive spending review on the level of council tax in the next three years. [158870]

**The Chief Secretary to the Treasury (Andy Burnham):** As my right hon. Friend the Chancellor set out in his pre-Budget report statement, we expect the overall council tax rise in the next three years to be substantially below 5 per cent.

**Mr. Whittingdale:** Is the Chief Secretary aware that the Local Government Association has described the spending plans as the worst financial settlement for councils in a decade? Is not it the case that, in counties such as Essex, where demand-led social services such as social care are increasingly costly—the costs are rising far faster than inflation—the inevitable result of the settlement will be higher council tax bills, which hit pensioners and many of the most vulnerable in society hardest?

**Andy Burnham:** Under the Government since 1997, real-terms growth in the funds that central Government provide to local government has happened in every single year. That was not the case before 1997, when there were real-terms cuts in the funding to local government. The funds allocated last week fulfil the bottom-line request of the Local Government Association in its formal submission to the comprehensive spending review. It is now up to councils to keep council tax down, and, as I pointed out to the hon. Member for Bromsgrove (Miss Kirkbride) a moment ago, the Conservative party bears as much responsibility as any other party for ensuring that that happens.

### Tax Credits

13. **Sir Robert Smith** (West Aberdeenshire and Kincardine) (LD): What plans he has to tackle the issues concerning the tax credit system identified by the Parliamentary Commissioner for Administration. [158871]

**The Financial Secretary to the Treasury (Jane Kennedy):** As I said earlier, the ombudsman's report is highly critical of Her Majesty's Revenue and Customs and the tax credit system. On the positive side, it recognises HMRC's progress on administration and welcomes the change in policy that I outlined today for recovering overpayment. It makes further recommendations to ensure that the policy is effective. Her Majesty's Revenue and Customs does not want to reject any recommendations outright. Some require thought about exactly how we respond to them, and I believe that we will be able to respond positively.

**Sir Robert Smith:** I thank the Minister for her answer. I hope that she will respond positively to point 4.4, which asks:

"Does such a system...truly meet the needs of this particular customer group?"

I hope, too, that she will take on board the advice of Citizens Advice that it might be time to look again at introducing fixed awards, which would improve stability. Is not the fundamental problem that people who are trying to budget on a weekly basis cannot cope with the retrospective nature of the changes to their finances? That puts them in such a difficult position that it is beginning to frighten people off from claiming.

**Jane Kennedy:** Citizens Advice has produced a serious report that looks at the issue carefully, but I do not see any evidence in a fall-off in the numbers of claimants who are receiving their entitlements. I acknowledge that there is a fear and I take that seriously, but tax credits offer a flexible system of support for 6 million families, as I have said, which equates to nearly 20 million people. Up to 700,000 families would receive less support under a fixed system. Although we are considering all such ideas, that is not the way to go. We must improve the delivery and administration of tax credits, which I believe is a better system than a fixed payments system.

## Climate Change

15. **Rob Marris** (Wolverhampton, South-West) (Lab): What recent assessment he has made of the likely impact on the economy of climate change over the next 10 years. [158873]

**The Exchequer Secretary to the Treasury (Angela Eagle):** The Stern review found that the costs of avoiding the most dangerous impacts of climate change are significant but manageable and could amount to around 1 per cent. of global gross domestic product. Those costs will be minimised with co-ordinated international action and are significantly less than the costs of inaction. Modelling for the energy White Paper suggests that there could be transition costs to the UK economy of between 1 and 2 per cent. of gross domestic product in 2020 in reducing emissions by 30 per cent., working from the 1990 base.

**Rob Marris:** Climate change is of course a huge problem facing our country and the world. Far too often in this Chamber and around the world, we have debates on the causes of climate change, but not enough on the effects. May I seek my hon. Friend's assurance that the Treasury will liaise with other Departments to ensure that that imbalance is rectified and that we have much more co-ordinated action between Departments, perhaps led by the Treasury as the main funder, on adapting to the inevitable climate change that we will experience, and are already experiencing, this century?

**Angela Eagle:** I can reassure my hon. Friend that that is precisely what the Treasury will be doing. The climate change Bill, which is due to come before the House, will create for the first time measured carbon markets and reductions. That will give us a tool to enable co-ordinated action in the UK. However, as he is aware, since the UK is responsible for only 2 per cent. of world emissions, international action is a key too.

## Business of the House

11.32 am

**Mrs. Theresa May** (Maidenhead) (Con): May I ask the Leader of the House to give us the forthcoming business?

**The Leader of the House of Commons (Ms Harriet Harman):** Before announcing the business I can tell the House that the Commons calendar, from November this year until October 2008, was published earlier today and is available in the Vote Office. I am sure that hon. Members will be interested to know that we plan to rise for the Christmas recess on Tuesday 18 December.

The business for the week commencing 22 October will be:

MONDAY 22 OCTOBER—Statement by the Prime Minister following the European Council meeting. Motion to approve a Ways and Means resolution on the Serious Crime Bill *[Lords]*. Remaining stages of the Serious Crime Bill *[Lords]*.

TUESDAY 23 OCTOBER—Carry-over motion for the Crossrail Bill followed by motions relating to the House of Commons Members' Fund and a motion to take note of the outstanding reports of the Public Accounts Committee to which the Government have replied. Details will be given in the *Official Report*.

WEDNESDAY 24 OCTOBER—Consideration of Lords amendments, followed by consideration of Lords amendments to the Local Government and Public Involvement in Health Bill, followed by, if necessary, consideration of Lords amendments.

THURSDAY 25 OCTOBER—Motions relating to House business, including the report from the Select Committee on Modernisation of the House of Commons and from the Procedure Committee.

It may assist the House if I tell hon. Members that I have today published the Government's response to the Modernisation Committee's first report of the 2006-07 Session, "Revitalising the Chamber: the role of the back bench Member". It is now available to all hon. Members from the Vote Office. I intend to table the relevant motions in due course.

FRIDAY 26 OCTOBER—The House will not be sitting.

The provisional business for the week commencing 29 October will be:

MONDAY 29 OCTOBER—Consideration of Lords amendments, followed by a debate on Burma on a motion for the Adjournment of the House followed by, if necessary, consideration of Lords amendments.

TUESDAY 30 OCTOBER—If necessary, consideration of Lords amendments. The House will be prorogued when Royal Assent to all Acts has been signified.

I hope that it will be possible to prorogue no later than Tuesday 30 October. The House will understand that that is subject to the progress of business in both Houses, but that looks the most likely date at the moment.

I should also like to inform the House that the business in Westminster Hall in October will be:

THURSDAY 25 OCTOBER—A debate on the report from the Environmental Audit Committee on the EU emissions trading scheme.

I am today bringing forward measures that will allow for corrections to be made in *Hansard* and for letters from non-departmental public body chairs to be published in *Hansard* for the first time. Full details are available in written ministerial statements. I am grateful to the Select Committee on Procedure for its advice on both points.

**Mrs. May:** I thank the right hon. and learned Lady for giving us the future business.

In the current cycle of oral questions, important issues such as local government and justice are squeezed into 30-minute sessions. Will the Government introduce a new cycle of questions to change that in the new Session of Parliament?

Yesterday, the Health Secretary told the House that the report on obesity "deserves discussion in Parliament". Will the Leader of the House commit to such a debate in Government time? Will she also confirm that there will be no single equalities Bill in the Queen's Speech? Will she tell the House why she announced that not to Parliament but to guests at a drinks party at the Labour party conference?

Will the right hon. and learned Lady explain why the Criminal Justice and Immigration Bill, which was given its Second Reading last week, amends the Legal Services Bill, which has not even passed through Parliament yet? Amending a Bill before it becomes law is incompetent even by this Government's standards. On the subject of criminal justice, according to a leaked Ministry of Justice document Labour's flagship scheme of open-ended sentences for violent criminals could be scrapped. Whether from the Home Office or the Ministry of Justice, Labour's answer to violent crime is always the same: let the perpetrators out of prison early. May we have a debate on crime and punishment?

This week, the Committee on Standards in Public Life revealed that nearly 400 Labour party donors, candidates, and election agents have been given jobs on Government quangos in the past year. May we have a debate in Government time on public appointments so that we can discuss Labour's government by stealth?

In the latest Government flip-flop, the Chief Secretary to the Treasury has said:

"It's not wrong that the tax system should recognise...marriage",

and that there is a

"metropolitan myth that Labour people are all a bit liberal".

As one of those metropolitan liberals, will the right hon. and learned Lady commit to a debate in Government time on how to support families in the tax system?

We have just had Treasury questions, but groups representing large and small businesses say that the new Chancellor's changes to capital gains tax risk

"serious damage to this country's entrepreneurial culture".

*[Mrs. May]*

The Business Secretary is apparently going to lobby the Treasury on this, and I understand that, in Treasury questions, the hon. Member for Stafford (Mr. Kidney) raised the issue of the lack of consultation on the measure. May we have a debate in Government time so that the House can consider in full the consequences of that crippling tax change?

Two and a half years ago, the EU referendum Bill—the European Union Bill—was introduced to Parliament, yet the Prime Minister will go to Lisbon today to agree the renamed constitution without a referendum. The Government's representative on the convention says that he has

"copped out from a specific promise made to voters".

Last week the Leader of the House could not even bring herself to defend the Prime Minister's decision not to hold a referendum, so perhaps she, too, thinks that he has copped out of his promise. After his tantrum before the European Scrutiny Committee, will the Foreign Secretary make a separate statement on the Floor of the House on why the Government are depriving the British people of their say?

**Ms Harman:** We have no plan to change the questions rota.

A full statement was made to the House on the question of obesity, which is a continuing concern. I have no doubt that, as and when there is new information to be given to the House, further statements will be made, and it is always possible for Members to raise the matter on the Adjournment or in Westminster Hall. We all want good facilities for exercise, proper labelling and prevention of excessive advertising to children of foods with fat, sugar and salt; we all share that important desire and want to work together across government and across the political parties on it.

The right hon. Lady mentioned the question of the equalities legislation. There has been no change to whether there will be a Bill on equalities, to which we are committed. We were not committed to an equalities Bill for the Queen's Speech this November; we had committed to a draft Bill before the 2008 Queen's Speech. However, I can tell the right hon. Lady that we issued a consultation paper and received many responses, some of which suggested major changes in policy. We are considering the response to the consultation paper and therefore a draft Bill will not be possible if there is a change of policy that needs consideration and discussion. I welcome the fact that she supports the quest for equality and I hope that she will work with us to bring about a strong equality Bill for the 21st century. There is certainly no question of backing down on equality issues; she might find that it is quite the opposite—which I hope she will welcome if it proves possible.

The right hon. Lady mentioned that the Criminal Justice and Immigration Bill is being amended by the Legal Services Bill, but I understand that that is not the case. She also mentioned leaked documents, allegedly from the Ministry of Justice. I am not going to comment on leaked documents, but I simply do not accept the suggestion that the Government have somehow focused insufficiently on rape and other sexual offences. We have toughened the law on rape; we have ensured that the police and prosecutors strengthen their work on rape; and we provide good support for victims. There will, of course, be a debate on crime on Monday.

The right hon. Lady raises the question of public appointments. If she is concerned about any individual appointments, she can always bring them to my attention. She will know that the public appointments system is transparent and independent. *[Interruption.]* In fact, any hon. Member who has a complaint about a public appointment can bring it to my attention.

The right hon. Lady mentioned family and marriage. My right hon. Friend the Chief Secretary, who was in his place a few moments ago, assured me that he is not planning to become the House of Commons marriage guidance counsellor. His comments were made in a rather wider context than appeared and the Government's position remains this: we recognise that families come in all shapes and sizes; we recognise that no Government policy can make men and women happy together in their marriages. If there is such a policy, please tell us what it is and we will adopt it. Meanwhile, it is the job of Government to get on and support families with children and families with older relatives.

The right hon. Lady also mentioned capital gains tax. It is, of course, the case that when any tax is under discussion, consideration will be given to the questions of simplicity, fairness, international competitiveness and revenue raising. They will all have been considered across the piece by the Chancellor. Our record is one of sustained growth in the economy and high employment.

The right hon. Lady raised a question on the handling of the EU treaty. As I have said, there will be a statement in the House on Monday. I remind Members that this country has greatly benefited from our membership of the European Union. *[Interruption.]* I would like to take this opportunity to say a few words about that, because we should debate EU issues in the context of the importance of our membership to the economy, the climate and to tackling—*[Interruption.]*

**Mr. Speaker:** Order. It would be nice if I could hear what the Leader of the House is saying. I cannot do so if other Members are talking across the Floor.

**Ms Harman:** As I said last week, if the Government agree to a treaty, it will come before this House to be ratified and there will be debate in this House. As Leader of the House I will ensure that there is sufficient time properly to discuss it and to hear the views of all Members.

I agree with the following comments in a letter printed today in *The Times*:

"The measures contained in the treaty...are in the UK's...interests...As a result of the treaty, the UK's share of voting in the Council increases by 45 per cent...the EU is crucial to the UK's long-term interests."

Those are the words not of the Foreign Secretary, but of the former Conservative Cabinet Minister, Leon Brittan, and I strongly agree with him.

**Mr. Stephen Hepburn** (Jarrow) (Lab): Two people die every week on Tyneside as a result of an asbestos-related injury contracted through their life in work. Does the Leader of the House agree that pleural plaques—scarring of the lungs through exposure to asbestos—is a workplace injury? Will she therefore join me in condemning those out-of-touch Law Lords who are stopping working-class people getting their rightful compensation, and will she tell me—either now, or later in the day after she has had time to consider it—when we can get this matter before the House? We must do so as soon as possible so that we can legislate to right this terrible wrong.

**Ms Harman:** I thank my hon. Friend for raising that important issue, and I am aware of the work that he and other Members have done to bring to the attention of the House and the Government the devastating effect of asbestos-related lung disease. The Government have a good record on ensuring that there is compensation for those whose lives are devastated by this range of terrible diseases. My hon. Friend raises the question of the House of Lords judgment, which was delivered only yesterday. It is being considered. The Law Lords' responsibility is to decide what the law is and how to apply it, but it is for this House to consider whether the law is right and adequate, and we will make that consideration after we have had a chance to study the judgment.

**Simon Hughes** (North Southwark and Bermondsey) (LD): The Leader of the House is to be thanked for her statements, not only about the business but about other matters. May we as soon as possible—ideally next week—have a wide-ranging debate on the diary of the parliamentary year, so that we might end up with a saner arrangement than at present? We could, for example, have a regular start to the Session every year in October; we could have a small carry-over at the beginning of September finishing before the party conferences, and then make a clean start afterwards. That would give us a much more orderly annual programme.

In that context, I also hope that we will be allowed to address the allocation of time for questioning Departments, as the right hon. Member for Maidenhead (Mrs. May) asked. It is nonsense that so little time is set aside for colleagues to question major Departments such as the Ministry of Justice—in which the Leader of the House so respectably served.

I anticipate that next week we will get some written statements, as well as the Prime Minister's oral statement on the Lisbon meeting on Monday. I ask the Leader of the House to tell her colleagues that it will not be helpful if there is, as usual, a raft of written statements in the last two days of the parliamentary year when Members have no chance to ask questions and follow them up. May we therefore have those statements earlier next week, so that they can be dealt with when all Members are present?

The Leader of the House announced that there would be a debate on Public Accounts Committee reports next week—although, enigmatically, we were told that the reports themselves would be available elsewhere and that people could look them up. We really need a system allowing Select Committee reports to be debated on a much more routine basis, Department by Department. Some excellent work is done by colleagues in all Select Committees, and I know that there is a system of selecting some reports for debate, but I am sure that the House and the country would welcome regular non-partisan debates on, for instance, Health Committee and Education Committee reports.

Some important reports on immigration were published this week by the Home Office, the Department for Work and Pensions and the Treasury. Because the issue is always emotive and because there is so much misinformation and distortion of information, may we have a proper debate on immigration early in the new year on a motion for the Adjournment of the House? The nation thinks that it is important, and opinion polls show that it is important. A debate that is not prompted by a partisan motion must be the best way of proceeding. It is important that we get the facts out, and not the prejudice.

**Ms Harman:** The hon. Gentleman makes some important points about the parliamentary year and about opportunities to debate Select Committee reports. The Modernisation Committee will be examining the way in which debates on particular topics are allocated over the year, including annual departmental debates. That can also be discussed on Thursday, when we will debate the Modernisation Committee's report.

I am sure that there was discussion between the usual channels before it was decided not to make any changes in the current rota of oral questions. It is always difficult to achieve the right balance, but if Members have any proposals about how the system should be changed—especially in view of the departmental changes that have taken place—I ask them to convey them to me. If there has been no consultation I am sorry, but we will undertake to examine any proposals that Members present.

The hon. Gentleman spoke of shed loads of written statements arriving at once just before the rising of the House. I think that Ministers' minds are focused by the fact that the House is about to rise and time is running out, but I undertake to write to my colleagues and remind them not to leave all the statements until the last day. I realise that the cumulative effect makes things difficult for Members.

I note that on 24 October a debate on the control of illegal immigrants will take place in Westminster Hall. It should be borne in mind that Britain has been built on waves of immigration, that the economy has grown steadily and that unemployment has fallen over the past 10 years, but we must get the balance right in Britain's interests, which is why there will be a points-based system from next year. All those matters are considered by the migration impact forum and obviously they are kept under review. However, I will bring the hon. Gentleman's proposals for a debate in Government time to the attention of my colleagues.

**Sir Peter Soulsby** (Leicester, South) (Lab): The Leader of the House will be aware that the BBC's recent announcement about the future of its news-gathering services comes hot on the heels of ITV's proposals to slash its commitment to regional news,

*[Sir Peter Soulsby]*

which includes doing away with a dedicated news service in the east midlands. May we have a debate on the future of radio and television news services, and may we also have an opportunity to press both providers to ensure that their news services are well resourced and able to provide adequate coverage in each of our regions?

**Ms Harman:** Members will have an opportunity to raise those important issues on Monday 29 October, during questions to the Secretary of State for Culture, Media and Sport.

I am aware of great concern in the regions about the changes in ITV regional news coverage, and there have of course been announcements about the BBC today. The Government's position is that the BBC is very important indeed, which is why they have allowed a steady increase in the licence fee above inflation over the past 10 years, but I have sympathy—as, I am sure, does my hon. Friend—for those who complain that against a background of an increased licence fee the BBC chooses to pay some presenters millions of pounds a year while at the same time making thousands of BBC programme makers face redundancy.

**Sir Michael Spicer** (West Worcestershire) (Con): Why have the Government not published the Senior Salaries Review Body's report on Members' salaries, which they received in July?

**Ms Harman:** The usual process is that the Government publish their response and then allow a debate shortly thereafter in which all Members can participate. That will happen shortly.

**Mr. Mark Hendrick** (Preston) (Lab/Co-op): Will my right hon. Friend consider finding time for a debate on the future of bus services in Preston? The present situation is terrible. A bus company, Stagecoach, is using underhand methods and dirty tactics to try to push the Preston bus company off the road. I should be grateful if my right hon. Friend would examine the position in some detail.

**Ms Harman:** I will draw to the attention of my right hon. Friend the Secretary of State for Transport what my hon. Friend has said about the important issue of public transport in Preston. My hon. Friend will, of course, have an opportunity to raise it at Transport questions next Tuesday.

**Mr. Ian Taylor** (Esher and Walton) (Con): Will the Leader of the House have a word with the Secretary of State for Justice, and invite him to give the House an update on the review of the criminal injuries compensation scheme? I have tabled an all-party motion, early-day motion 2146, to draw attention to the problem that currently exists.

*That this House believes that the Criminal Injuries Compensation Scheme should be amended to reflect the true cost to the lives of those injured in terrorist attacks in mainland Britain; notes that some victims of the 7th July 2005 bombings in London have yet to receive full compensation or have received minimal offers of compensation by the Criminal Injuries Compensation Authority; and calls on the Government to respond to the Green Paper 'Rebuilding Lives' and uprate the limit of £500,000 and tariffs set in 1996.*

The problem is that under the current scheme those who suffer as a result of terrorist outrages such as bombings cannot obtain enough money to take them through the rest of their lives in any way that is tolerable. The tariffs were set back in 1996, and do not cover the terrible injuries that people suffer. I am about to meet the family of one of those victims, and I should very much like the Secretary of State for Justice to update the House on his thinking.

**Ms Harman:** I am sure the whole House agrees with what the hon. Gentleman has said about the importance of ensuring that those who suffer the devastating effects of injury caused by crime are properly compensated and properly treated by the system. I will draw his points to the attention of my right hon. Friend the Secretary of State for Justice, whom he will of course have an opportunity to question next week.

**Julie Morgan** (Cardiff, North) (Lab): I am sure that my right hon. Friend will want to congratulate His Holiness the Dalai Lama on receiving the congressional gold medal from President Bush in Washington last night. I had the privilege of meeting the Dalai Lama earlier this month when I went to northern India with the all-party Tibet group. Will my right hon. Friend find time for a debate in which we can highlight the peaceful struggle of the Tibetan people for autonomy?

**Ms Harman:** I pay tribute to the work of my hon. Friend and her colleagues in the all-party group on Tibet. She will know that we consistently urge China to engage in serious negotiations with the Dalai Lama's representatives in order to build a peaceful, sustainable and legitimate solution for Tibet. Embassy officials visit Tibet regularly, and work closely with the relevant non-governmental organisations. We also regularly raise the need to respect the Tibetan culture and language as well as ensuring economic advance there. I will bring my hon. Friend's comments to the attention of my right hon. Friend the Foreign Secretary.

**Mr. Alan Reid** (Argyll and Bute) (LD): May we have a statement on when the Government intend to implement their manifesto commitment to review the Postal Services Act 2000? Later this month Sunday collections will be withdrawn, and mail deliveries are occurring later and later in the day. We need to strengthen the universal service obligation in order to stop our postal services from simply getting worse and worse. When will the promised review take place?

**Ms Harman:** I will find out about that. As I cannot give the hon. Gentleman the information that he needs, I will ask my right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform to write to him, and to place a copy of the letter in the Library. We all hope that the Royal Mail dispute will be settled soon.

**Dr. Nick Palmer** (Broxtowe) (Lab): Mark Glover, the distinguished animal welfare campaigner who is chair of the organisation Respect for Animals, goes on trial today in Canada for the dreadful crime of filming a seal hunt. Given the widespread aversion to seal clubbing among hon. Members of all parties, will the Leader of the House agree to an early debate on a ban on seal product imports into Britain?

**Ms Harman:** I will bring my hon. Friend's comments to the attention of the relevant Minister. Although Canada's criminal law is a matter for that country, the Government are strong supporters of animal welfare.

**Mr. Richard Bacon** (South Norfolk) (Con): Does the Leader of the House agree that there are far too many fat Members of Parliament? Speaking as one of them—I feel that I should declare my interest—I welcome the recent report in the *Financial Times* about proposals to refurbish the House, which include replacing the shooting range with a swimming pool. Will she consider the matter soon, and make a statement?

**Ms Harman:** I am sorry; I got the first bit about us all being fat but missed the hon. Gentleman's final question.

**Mr. Bacon:** I am suggesting that too many MPs are fat, including me. We could replace the shooting range with a swimming pool, a proposal that has been commented on in the newspapers, and I wanted to know what the Leader of the House thought about it.

**Ms Harman:** All hon. Members will have an opportunity to comment on the proposal, as there will be a debate in Westminster Hall later this afternoon on issues that come within the purview of the House of Commons Commission. We want to make sure that all workplaces and neighbourhoods have good exercise and healthy eating facilities. We in the Palace of Westminster are really rather ahead of the game in that respect.

**Colin Burgon** (Elmet) (Lab): May I raise another weighty matter? May we have a debate on how the Conservatives and Liberals on Leeds city council are attempting to undermine democracy in their latest review of polling stations in the city? The plan to close 16 polling stations in my constituency alone will make voting harder for more than 10,000 people. That flies in the face of electoral guidelines, and smells of gerrymandering. At the very least, will the Leader of the House have a meeting with me so that I can express my concerns?

**Ms Harman:** My hon. Friend raises a very important question. As well as taking it up with Ministers in the Ministry of Justice, he should seek a meeting with the chairman of the Electoral Commission. We must make sure that people have access to polling stations, as that is especially important for elderly people who may not want to vote by post and who prefer to put their ballot papers in the ballot box. I am concerned about the proposal to close 16 polling stations in my hon. Friend's constituency, as we want to encourage people to vote, and not deter them from doing so. I look forward to hearing from my hon. Friend about whether he has been able to stop the proposal.

**Sir George Young** (North-West Hampshire) (Con): Does the Leader of the House accept that not all Members of Parliament are fat? In his first statement to the House of Commons, the Prime Minister launched the document "The Governance of Britain". In paragraph 104, it states that the House of Commons scrutinises the Treasury's plans and objectives in its pre-Budget report debate. What has happened to that debate? Why are we debating the House of Commons Members' fund next Tuesday, instead of the comprehensive spending review and the PBR?

**Ms Harman:** The debate on the reports from the Modernisation Committee will give us an opportunity to discuss how we allocate the days set aside for debating defence, for example, or the Queen's Speech, or the Budget. We need to step back and take an overview of the year so that as many matters as possible can be debated. The PBR has not always been followed by days of debate, but the right hon. Gentleman has raised this matter with me before and we can discuss it further on Thursday.

**Sarah McCarthy-Fry** (Portsmouth, North) (Lab/Co-op): Will the Leader of the House find time for a debate on domestic violence and intimate-partner murder? I recently visited the family justice centre in Croydon, at the request of a victim of stalking who believes that the centre saved her life. The only one of its kind in the country, the centre is breaking new ground and achieving magnificent results—as is shown by the fact that there were zero murders in Croydon in the past year. I should really like to see how such provision can be extended across the country.

**Ms Harman:** I strongly agree with my hon. Friend's comments about Croydon's family justice centre, which is doing very good work. Domestic violence should have no place in the 21st century. No matter what is going on in a relationship, there is no justification for resorting to violence. Domestic violence can be prevented if police, prosecutors, local authorities and local voluntary organisations work closely together, and it is a scandal that it still accounts for a quarter of all reported violent crime, with two homicides every year. Certain reviews are under way in the Ministry of Justice with a view to toughening the law so that perpetrators of domestic homicide can no longer give the excuse, "It's not my fault I killed her, it's her fault for provoking me."

**Tony Baldry** (Banbury) (Con): May I draw the Leader of the House's attention to early-day motion 2113?

*That this House is concerned at the changes to the guidance on business rates for public houses; notes that changes to the Non-Domestic Rating Reference Manual will mean the levy will be raised for pubs with quizzes, televisions, pool tables, dart boards or a football team; believes this could result in an increase of £440 a year in their business rates which for some remote pubs paying £1,000 a year in rates could see their tax bill increase by almost half under new rules; further believes that this would have a devastating impact for some pubs with the*

*[Tony Baldry]*

*Campaign for Real Ale already estimating that 56 pubs are already closing permanently each month; and calls on the Government to amend the guidance for inspectors so that business rates do not rise further for pubs in 2010 but instead they are allowed to remain thriving at the heart of many communities.*

Even by the standards of this Government's stealth taxes, hammering pubs that organise quizzes or have a football team with extra business rates seems pretty crazy. Many villages have lost their shops or are threatened with losing their post offices. For them, the village pub is very often the most important community facility left, so hammering the ones that are successful and doing community work with higher business rates is crazy.

**Ms Harman:** I will bring the hon. Gentleman's comments to the attention of the relevant Minister.

**David Taylor** (North-West Leicestershire) (Lab/Co-op): The settled communities of Snibston, Sinope, Coalville, Castle Donington, Ibstock and Battram in North-West Leicestershire are being driven to distraction by the amount of unauthorised camping by the Travelling community, and by the associated social and environmental problems. Will the Leader of the House arrange a debate in the near future about the workings of the Criminal Justice and Public Order Act 1994 and the Anti-social Behaviour Act 2003 to see how they can be altered to improve the co-operation and speed of action of the relevant authorities as they tackle those very serious problems, and especially the provision of transit sites in the county of Leicestershire?

**Ms Harman:** I will do as my hon. Friend suggests. Another question that no doubt will be raised has to do with whether the current legislation is being enforced effectively and in the way that local communities want. That is a matter for police, prosecutors and local authorities, and might be an appropriate subject for discussion by the local criminal justice board.

**Mr. Tobias Ellwood** (Bournemouth, East) (Con): May we have an urgent debate in Government time on British tourism? It is Britain's fifth largest industry, and it has been heavily affected by regulation. VisitBritain's budget has remained at the same level for 12 years, and in today's newspapers the organisation warns that the UK tourism industry could lose about £2 billion if the Government do not do more to invest. More people are choosing to holiday abroad, and we are missing out on overseas visitors coming to the UK. That does not bode well in the lead-up to the Olympics, when we should be harnessing our tourist potential.

**Ms Harman:** No doubt the hon. Gentleman could raise that point during next week's Culture, Media and Sport questions. He is suggesting that there should be more investment. The Government have invested a great deal to support businesses involved in tourism, especially, but not only, in our seaside towns. If he believes that there should be extra public investment, he should back the revenue-raising measures that the Government have put in place. We seem to be hearing alternate points: one Conservative Member says that tax should be cut, but immediately after, another Conservative Member asks for extra spending. Perhaps Conservative Members could get their act together and work out which it is.

**Mr. Michael Clapham** (Barnsley, West and Penistone) (Lab): I listened with interest to the Leader of the House's reply to my hon. Friend the Member for Jarrow (Mr. Hepburn). I know that she has not had time to study the judgment, but, having looked at it, I can tell her that it recognises that pleural plaques cause a physiological change, but cruelly decides that the people affected should not be compensated. Will she therefore ask the Secretary of State for Justice to consider bringing forth legislation quickly to overturn the Lords decision because it is quite clear that this group of workers will not get justice in the courts?

**Ms Harman:** My hon. Friend makes an important point. We need to ensure that if justice is not done in a way that accords with our public policy commitment, we consider what action to take, and take it swiftly, so that people do not lose out. The problem with such matters is that people's lives are the issue. This is not just a technical matter that can be discussed in the fullness of time. People want this considered promptly, and I know that his all-party group will give the matter full consideration and offer the Government its views, which I am sure will be welcomed.

**Mr. Andrew Mackay** (Bracknell) (Con): Is there not an overwhelming case this year for the Prime Minister to fulfil his promise to hold a debate on the pre-Budget report when we see that the CBI, the Institute of Directors, the Federation of Small Businesses, the chambers of commerce and the TUC all oppose the new capital gains tax proposals? The right hon. and learned Lady's colleague, the hon. Member for Stafford (Mr. Kidney), says that there has been insufficient time for consultation. May we have a debate as soon as possible, preferably straight after the Queen's Speech?

**Ms Harman:** I recognise hon. Members' concern about the lack of opportunity to debate the pre-Budget report in Government time. I will give the matter serious consideration. As far as capital gains tax is concerned, all I can say is that the Chancellor has to take a view across the piece. The range of rates from 10 per cent. to 40 per cent. was certainly good for the profits of the accountants and lawyers who had to help businesses to work out their liability. We have a beneficial regime for business across the tax system as a whole. Of course, the tax threshold is such that no tax is imposed at all unless the gain is above £9,000.

**Dr. Stephen Ladyman** (South Thanet) (Lab): Is my right hon. and learned Friend aware that too many autistic children in Kent—and probably elsewhere, too—are not getting either the education or educational support that their parents think they need and deserve? I am absolutely delighted that the hon. Member for Buckingham (John Bercow) will be carrying out a review of educational support for children with communications difficulties. However, in the meantime, may we have a debate in the House so that we can contribute our personal experiences of this serious problem to inform that review?

**Ms Harman:** I know that that is a matter of real concern throughout the country and on both sides of the House. Perhaps we will give consideration to whether we can have such a debate in Government time, although whether we await the report on which the hon. Member for Buckingham is leading will be a question of timing. I absolutely agree with my hon. Friend and undertake to ensure that we have a debate as soon as possible on autism and the response that all services need to give to support families dealing with autistic children.

**Justine Greening** (Putney) (Con): May we have a debate in the House about the targeting of the deprived area fund? Roehampton ward—this concerns my constituents living on the Alton and Lennox estates especially—does not receive any support from the fund, even though Putney jobcentre was closed earlier this year. Part of the problem in London is that because we have the most affluent parts of society living next to the most deprived, the assessment at a ward level often creates an average picture that means that the neediest communities do not receive the support from the fund that was intended. May we have a debate in Government time so that we can resolve these problems?

**Ms Harman:** Overall, I think that the hon. Lady would recognise that we have massively increased investment in deprived areas in a range of ways, including through Sure Start and the new deal for communities. Such public investment has been very important, so I take it that she supports our revenue proposals to ensure that we can put investment in all deprived areas, including that in her constituency.

**Mr. David Kidney** (Stafford) (Lab): Does the Leader of the House accept that the top concern for many people is health-care-acquired infection? Businesses in Stafford—and, no doubt, throughout the country—are offering the NHS solutions on how to make hospitals and other places of treatment cleaner. May we have a debate in which the Department of Health can be urged to give more urgency to the evaluation of those offers?

**Ms Harman:** My hon. Friend raises a really important point about the science of tackling infection control and improving the processes of screening, isolation, hand cleaning and deep cleaning. We all recognise that this is something that needs to be improved. I will bring the matter to the attention of my right hon. Friend the Secretary of State for Health, who has already responded to an urgent question this week.

**Dr. Julian Lewis** (New Forest, East) (Con): Having managed to lose well over a stone since 1 August without so much as dipping a big toe into a swimming pool, may I express some frustration that the highly successful House of Commons shooting team is continually picked on by politically correct people on both sides of the House whenever they want an easy target, especially as we beat the House of Lords every year?

On a more serious note, may I ask the Leader of the House whether she heard on the news yesterday about the couple who tortured their child to death by holding the toddler's limbs over a red-hot cooking plate again and again? They have been sentenced respectively to 12 and six years in prison. Does she agree that if the court sees fit to put monsters like that away for 12 and six years, it is quite wrong that they should be released, as they will be under existing Government policy, after only six and three years? May we have a debate on early release schemes?

**Ms Harman:** The House has discussed on numerous occasions the law and practice surrounding the release of prisoners. Of course, sentencing in an individual case is a matter for a judge. If there is a view that a sentence is unduly lenient, the Law Officers can refer the case to the Court of Appeal. The House sets the legislative framework and we debate that at the time at which we pass the relevant laws.

**Jim Sheridan** (Paisley and Renfrewshire, North) (Lab): May we have a debate on the long-term future of manufacturing industry in this country, especially regarding the impact of existing employment legislation on this country's workers? The Leader of the House might be aware that there was a breath of fresh air in this place yesterday when hundreds of manufacturing workers came to make representations to their MPs. While I recognise the significant amount that the Government have put into upskilling such workers, those people are genuinely worried that their jobs could be easily disposed of under existing employment legislation. Will she remind her Cabinet colleagues that manufacturing industry is an important factor in this country?

**Ms Harman:** We are all very well aware of the importance of manufacturing. I recognise—my hon. Friend has brought this to the attention of the House on several occasions—that with all the talk about services and financial services, those working in the important manufacturing sector sometimes feel that they are invisible. The lobby made important points. The Government are determined to do whatever is necessary to help and support this country's manufacturing industry, including, especially, improving skills and the opportunity for exports.

**John Bercow** (Buckingham) (Con): I hugely welcome what has been said about the needs of autistic children, and the forthcoming debate on Burma, which I have sought strenuously for the past two and a half years. May we please have a debate, in Government time and on the Floor of the House, on housing development in the south-east? The Government have hitherto always accepted that the extra 1,000 houses a year that are to be built in Aylesbury vale in each of the next 20 years would have to be accompanied by adequate infrastructure, but the Government's panel of inspectors has now publicly stated that it does not think that the development need be contingent on "necessary infrastructure". Do we not need a debate to resolve the confusion, and to determine how we can go ahead with development in my area in a way that leads to an improvement, not a deterioration, in my constituents' quality of life?

**Ms Harman:** The hon. Gentleman will know, because we have published the Government's draft legislative programme, that there will be legislation on housing and planning in the Queen's Speech. He mentions housing in the south-east. That issue is a classic example of why

*[Ms Harman]*

the proposals in "The Governance of Britain" report on regional accountability are important. Aside from through Westminster Hall, we do not have any way of making the Government accountable, through Members of the House, for actions that affect a region. The regional committees proposed in "The Governance of Britain" would aim to do exactly that. I am grateful for his welcome for my comments about giving him more opportunity to debate support services for autistic children and their families.

I was perhaps not as aware as I should have been that the hon. Gentleman has been asking for a debate on Burma for two years; I have only been Leader of the House since July. He has raised the issue of Burma on a number of occasions, and that is why I arranged for us to have a debate.

**Mr. Richard Benyon** (Newbury) (Con): Yesterday I secured a 90-minute Westminster Hall debate on the important issue of the Government's extraordinary decision to axe the Defence Export Services Organisation. The Government did a great discourtesy to not only the House but the hundreds of thousands of people who work in that important sector of the economy by sending along not a Defence Minister, who would perhaps have understood the issue, but the Minister for Employment Relations and Postal Affairs. Will the Leader of the House correct that discourtesy by allowing a further debate on the Floor of the House, on an issue relating to £5 billion-worth of exports every year?

**Ms Harman:** I will certainly look into the decision about which Minister should handle the debate. I hope that the hon. Gentleman got answers that reflected the Government's concern on the issue. Of course, there are Defence questions next Monday.

**Mr. Mark Harper** (Forest of Dean) (Con): I listened with great care to what the right hon. and learned Lady said to my right hon. Friend the shadow Leader of the House about the single equality Bill. During the consultation, many disability organisations expressed great concerns about the removal of the disability equality duty, and they would welcome a change of Government policy, if there has indeed been a change. Will the Leader of the House ensure that, if the Bill does not come before the House until after the Queen's Speech of 2008, she will at least publish a draft Bill at an early stage, as she successfully did with the Coroners Bill, so that the organisations concerned, and Members of the House, get a proper chance to scrutinise it?

**Ms Harman:** I think that it is important that we get the policy right, and we will get the policy right on the basis of full discussion. Once broad policy decisions have been taken, I hope that we can publish draft clauses, even if we cannot publish a full draft Bill. On disability organisations and people who are concerned about discrimination and prejudice on grounds of age, sexual orientation, gender or race, there is no question of weakening current laws that protect people from discrimination and propose equality of opportunity—quite the reverse. We want to make sure that we have strong and effective laws. If we can move the issue out of the zone of dispute, disagreement and political point-scoring, and if we can move to a consensus about the fact that we all benefit from a fair and equal society, it will be a huge change. That would be a basis on which to build radical and progressive legislation, and I will look to the hon. Gentleman for his support.

**Mr. Mark Lancaster** (North-East Milton Keynes) (Con): May we have a debate on funding for new schools? "I before E", or "infrastructure before expansion", is vital in communities such as Milton Keynes. We recognise that we will need seven new schools in the next three years to keep pace with Government housing targets, so does the Leader of the House understand the anger felt in Milton Keynes this week at the news that the basic need allocation for the new schools has been slashed from £30 million to just £10 million? That means that four of those seven new schools will not be built. Whatever happened to "Education, education, education"?

**Ms Harman:** I know that the Minister for Schools and Learners is meeting those involved in the Milton Keynes situation, but I ask the hon. Gentleman to acknowledge that there has been massive investment in new teachers, and in primary and secondary school buildings. Of course, we would always like to see more being done, and I now realise that the hon. Gentleman would give us a great deal of support for extra public spending on education.

**David T.C. Davies** (Monmouth) (Con): May we have an emergency debate on the fact that the Department for Environment, Food and Rural Affairs apparently plans to bully and cajole the British public into buying UHT instead of fresh, pasteurised milk? May we learn whether the Government are prepared to stand up for the Great British pinta, or do they not have a lot of bottle?

**Ms Harman:** I do not think that there would be any point in holding such a debate, because DEFRA has no such plans.

**Daniel Kawczynski** (Shrewsbury and Atcham) (Con): At the beginning of business questions, my right hon. Friend the shadow Leader of the House asked an important question about the huge numbers of Labour party members being appointed to quangos. The Leader of the House said that if we knew of any individual case, we could refer it to her, but with all respect, that is not the essence and spirit of the question. The spirit of the question, I believe, concerns the sheer numbers of Labour party members appointed to quangos. With Labour party membership collapsing, why are so many Labour party members being appointed to quangos? We demand a debate on the issue.

**Ms Harman:** My response to the shadow Leader of the House was that there are transparent processes for ensuring that the best person gets any job that is in the public interest. There is a great degree of independence, and I simply asked for evidence that it had been inappropriately exercised. The point is that one cannot simply look at the sheer numbers; one has to ask whether the system is transparent, independent and operated effectively. I am asking for any evidence that shows that it has not been operated effectively.

**Mark Pritchard** (The Wrekin) (Con): May we have an urgent debate on Turkey? Will the Leader of the House join me in calling on the Turkish Government to show restraint, to not invade northern Iraq, and to stop shelling northern Iraqi villages? Similarly, will she call on the PKK to stop killing Turkish troops and personnel? Does she agree that if Turkey wants to be a member of the wider European family, this is an opportunity for it to show that it is an international, responsible player in the community of Europe, and should it not show restraint?

**Ms Harman:** I absolutely agree with every point that the hon. Gentleman has made, so I will not repeat what he said to the House. I simply say that he was spot on in all respects.

**Philip Davies** (Shipley) (Con): The Prime Minister said that important announcements would be made to Parliament, so I was surprised to receive an e-mail from the work force manager of Revenue and Customs, who attached a letter from the chairman, in which it was announced that a number of tax offices in West Yorkshire were to be closed, including two in Shipley, Hockney house and Crown house, which were previously earmarked for retention. Given the importance of the issue, not only to the people whose lives will be affected by the decision but to the local economy in Shipley, will the right hon. and learned Lady ensure that the Chancellor comes to the House and makes a statement on why those decisions have been made?

**Ms Harman:** I do not know whether the hon. Gentleman raised the matter at Treasury questions, as the Chancellor was in the House only an hour or so ago—*[Interruption.]* I take the point. We are concerned to ensure that important ministerial decisions are announced to the House. I am sure the hon. Gentleman will consider writing to the Chancellor with the point about the decisions that have been made locally concerning his tax offices.

## Third Sector Review

*[Relevant documents: The written and oral evidence taken before the Select Committee on Public Administration on Third Sector Commissioning, HC 540-i to iv of Session 2006-07.]*

*Motion made, and Question proposed,* That this House do now adjourn.—*[Tony Cunningham.]*

12.30 pm

**The Minister for the Cabinet Office (Edward Miliband):** It is a privilege to open the debate on the third sector review concerning the work of the voluntary sector, social enterprises and many charities throughout the country. I start by putting on record my thanks to the more than 1,000 third sector organisations that took part in the consultation that led up to the review.

The central case that is made in the review is that we must celebrate and protect the diversity of the third sector, which is made up of organisations diverse in their size, so we should support small as well as large organisations, and diverse in their activities, from local volunteer-led groups to those delivering public services and campaigning. To support this diversity, we need Government to play their part, not seeing the third sector as picking up the pieces from failure of Government funding, but as being able to reach out and empower people in ways that Government often cannot do. I acknowledge that Government need to be a better partner in this process—in their funding for third sector organisations, in their understanding of the role that those organisations can play in our society, and in their respect for the sector's independence.

**Ann Coffey** (Stockport) (Lab): I welcome the announcement of a further £85 million for third sector infrastructure development. Can my right hon. Friend give me more information about the distribution mechanism? Will he ensure that smaller community and volunteer-led organisations will get proper access to that significant money?

**Edward Miliband:** Absolutely. I think my hon. Friend is referring to the money for Capacitybuilders. Those who run Capacitybuilders recognise the need to get the money that they distribute down to the smallest organisations, including the ones that I met in Stockport when I was fortunate enough to visit my hon. Friend's constituency. The Improving Reach programme is designed to get the money to such organisations. I am sure that Capacitybuilders will have heard her remarks.

**Mark Pritchard** (The Wrekin) (Con): Notwithstanding the Minister's reply to the hon. Member for Stockport (Ann Coffey), is it not the case that 68 per cent. of statutory funding still goes to charities with a turnover of £1 million or more, meaning that many small community charities, including many in my constituency in Shropshire, are not receiving statutory funding, despite the fact that they have a great track record in providing the very services that the Government say they want to see provided in the community?

**Edward Miliband:** The hon. Gentleman makes an important point about the role of small organisations. I merely caution him that we should not get into a

*[Edward Miliband]*

mindset that small is always better. There are many large organisations around the country—for example, Age Concern, which has local branches that do fantastic work throughout the country. I take the point that he makes about the need to get money to small organisations.

**Mr. Jim Cunningham** (Coventry, South) (Lab): I do not expect my right hon. Friend to give me an answer immediately, but will he look at the situation of Hillfields WATCH, an organisation that deals with issues ranging from asylum seekers to the unemployed and police matters? It is struggling to find funding, and every three years it finds itself in that same situation. Will he give me an undertaking that he will meet a small delegation from Coventry to discuss the matter?

**Edward Miliband:** I thank my hon. Friend for that. I will ensure that I or the Minister with responsibility for the third sector, my hon. Friend the Member for Corby (Phil Hope), meets the delegation.

That takes me to an important point about the review. We have announced an £80 million small grants programme precisely for the kind of organisations to which the hon. Member for The Wrekin (Mark Pritchard) and my hon. Friend the Member for Coventry, South (Mr. Cunningham) referred. We all know from our own constituencies that the smallest organisations can make a huge difference to building civil society and bringing people together. I think of an organisation in my constituency, if I may mention it. In Adwick le Street, where I live, Brodsworth cricket club does an extraordinary job of giving young boys and girls a chance to play cricket. That is a way in which the community can come together in a place where there are fewer community institutions than there used to be, given the closure of the pits and so on.

**Fiona Mactaggart** (Slough) (Lab): On the £80 million fund that my right hon. Friend mentioned, a real concern is the time that it will take to put in place the necessary distribution mechanisms. I know that the community foundation network and the Community Fund in my constituency have a shortfall of previous grants and are not clear when the money will come on stream. Can they be assured that there will be a chance for their experience in distributing grants to be used, without damaging delay?

**Edward Miliband:** My hon. Friend, who is a former Minister with responsibility for the voluntary sector, makes an important point. We want to use organisations such as the community foundation to help to distribute the money because of their local knowledge about what is needed. Also, we want to ensure—this is an issue for small organisations throughout the country—that the application process is not the bureaucratic and cumbersome process that many organisations complain about.

We need to be honest in this debate. There is always a dilemma for Government between taking the risks of the streamlined process of applying for money—a risk that we should be taking—and the more bureaucratic monitoring processes that sometimes operate. In relation to the small grants programme, it is important that the money gets out quickly. We will help to ensure that that happens, and that it is distributed in the simplest way possible so that small organisations can access it.

In addition to the allocation of resources—the following proposal was in the Opposition's submission in relation to these matters—we are making £50 million available to organisations such as the community foundation as an endowment. That will allow them to build up the resources that they can distribute in future years without having to come back to Government. It will also allow them to get money in from the private sector and other organisations in the community that might want to contribute. Community foundations do a fantastic job, and an independent source of money will make a difference to them.

On the subject of what happens at local level, I want to deal with asset transfers from local authorities to small organisations. Issues of funding and stability of funding—three-year funding is important—are crucial to the health of small organisations. When I was Minister with responsibility for the third sector, I was struck by what asset transfer can do for local organisations. I visited the Goodwin centre in Hull, which has transformed part of the city because it was given an asset which gave it the financial stability that many third sector organisations do not have.

We have made available £30 million to help to fund innovative projects in this area, but more work needs to be done. We need to encourage local authorities to see voluntary organisations not as the enemy, as they are sometimes seen, but as an ally in helping to improve local communities. Of course, people can raise issues of accountability when assets are transferred to community organisations, but projects such as the Goodwin centre in Hull show how those issues can be dealt with. The people who run the centre are elected by the local neighbourhood.

**Philip Davies** (Shipley) (Con): Does the Minister agree that one of the problems is that such organisations often secure very short-term funding, which is often taken away just when they have got up steam on a particular project? Glory projects are often funded, but ongoing good work, which makes a big difference in local communities, does not seem to attract funding. Will he indicate whether the funding that he has outlined today will address the problems that charities face?

**Edward Miliband:** The hon. Gentleman has made two important points. First, he raised the issue of stable funding, which is why we have introduced the move towards three-year funding. We are driving that process through central Government, and when local authorities are examined on how they spend their resources, for the first time one of the issues will be whether they fund third sector organisations for a number of years or for just one year at a time. Secondly, he raised the question whether funding is for innovation or for the core part of what third sector organisations do. I do not have an easy solution to the problem. It is partly about having stability in Government programmes so that we do not keep introducing new programmes, but it is also about establishing an awareness among funders that the issue involves not only funding new projects, but funding existing good projects.

**Mr. Siôn Simon** (Birmingham, Erdington) (Lab): Will the Minister take this opportunity to encourage the Tory-Liberal leadership of Birmingham city council to take a more enlightened and creative view on asset transfer to local community groups rather than, as a cynic would say, taking a protective, defensive view of its funds and assets, squeezing what it can out of the Government and not passing funding on to particularly deprived local communities, such as mine?

**Edward Miliband:** My hon. Friend has made his point in a characteristically eloquent way, and I am happy to agree with him. The issue is important around the country. When I have visited my hon. Friends' constituencies, I have found unused assets and a frustration in the local community that such assets cannot be deployed for the purposes that people want to use them for. In such cases, local communities sometimes feel that there is a blockage in the local authority.

**Several hon. Members** *rose—*

**Edward Miliband:** My goodness, what a set of choices.

**Norman Baker** (Lewes) (LD): The Minister has, of course, made the correct choice.

On the previous intervention, the Minister's introduction has been characterised by good sense, and there is a degree of common purpose across all parties. It may be that local authorities in particular areas—I have no idea about Birmingham—are not performing as well as we might like, but I hope he agrees that there is both good practice and bad practice among councils controlled by all parties. We can best make progress by approaching the matter with a common purpose, rather than trying to make partisan points.

**Edward Miliband:** My hon. Friend the Member for Birmingham, Erdington (Mr. Simon) was making a point about his specific experience, which is absolutely legitimate. There is an issue about culture change across the piece on the way in which third sector organisations are treated and the way in which they contribute to our society. There is a big issue about culture change for both local authorities and central Government, and I freely acknowledge that all parties need to engage in that task.

**Several hon. Members** *rose—*

**Edward Miliband:** The hon. Member for Lewes (Norman Baker) referred to my introduction, which I fear that I will not get through if I keep giving way.

**Mark Lazarowicz** (Edinburgh, North and Leith) (Lab/Co-op): It is certainly a good thing to be non-partisan, where we can, but it is difficult when we consider the record of Liberal Democrat councils up and down the country. My authority is run by a bizarre Liberal Democrat-SNP coalition, which inherited a three-year programme of funding for local organisations. Local groups are having their three-year funding programmes scrapped. They think that they have secured the certainty of three-year funding, but then they find that their budget has been cut.

**Edward Miliband:** My hon. Friend has described a serious case. The community groups that he has mentioned should examine the Compact. I am sure that my hon. Friend the Member for Corby (Phil Hope), the Minister with responsibility for the third sector, will be happy to discuss the matter with him.

**Hywel Williams** (Caernarfon) (PC): Will the Minister accept the entirely non-partisan point that there is a problem with short-term funding for staff and for professional development? Many voluntary organisations seem to spend February and March either rushing around looking for bits of money or giving professional staff notice, which is not conducive to the proper development of the sector.

**Edward Miliband:** I agree with the hon. Gentleman, who has made an important point about stability of funding. Although there will always be cases in which voluntary sector organisations must search for more resources, the annual cycle of looking for such resources seems to be a barrier to efficiency that saps the energy of many organisations.

The second message from the review concerned the way in which the third sector can transform people's experience of public services in a diverse range of areas from youth services to drug rehabilitation. Again, the issue is culture change. In the course of the review, I have learned that we will make change happen and get local councils and other agencies of government to work with third sector organisations by helping those organisations to understand the contribution that third sector organisations can make.

When I visited Manchester, I was struck by the work of Sunderland Home Care Associates, which part of the city has taken on. It is an employee-run organisation in which elderly people are looked after in their own homes. The commissioners of services in Manchester saw the impact of what Sunderland Home Care Associates was doing and realised that it was not a fluffy organisation, but a serious, professional one that could make a real difference to people. That led them to take on Sunderland Home Care Associates and to form an alliance. That is why the review discusses the training programme for the 2,000 most important commissioners of public services. Helping those commissioners to understand the role that third sector organisations can play is important, which is why we are building on it in the review. We are also making new finance available for third sector organisations through the Futurebuilders fund to allow them to help to deliver public services.

**Mr. Andy Reed** (Loughborough) (Lab/Co-op): Much of the funding for social enterprises and co-operatives goes through bodies such as the regional development agencies. Will the Minister extend the offer of training throughout the civil service to organisations such as the RDAs, which are in an excellent position to deliver services on the ground? As he has said, third sector organisations can transform the delivery of public services, which is especially true of co-operatives working at a local level, where real people can deliver real services rather than using large bureaucracies or, as is sometimes the case, private sector companies that are located miles away and have nothing to do with the locality.

**Edward Miliband:** My hon. Friend has made an important point. My hon. Friend the Member for Corby, who is the Minister with responsibility for the third sector, has said that he met the RDAs yesterday. We are making finance available to the RDAs to promote social enterprise, which is important.

On the role that social enterprises can play, some of the most inspiring people whom I have met in the third sector work in social enterprises, large and small. I am thinking of Tim Smit who runs the Eden Project, which is an extraordinary project that has done amazing things for Cornwall. I am also thinking about small social enterprises in my constituency that help disabled men and women and people with learning disabilities.

The Government do not create inspiring social entrepreneurs, but we can help or hinder them. Part of the task for the Government is finding new ways of helping to finance social enterprise. That is why we are interested in the idea of a social investment bank, which would create a new stream of finance for social enterprise. That is also why £10 million is available to pioneer different ways in which social enterprises can be funded.

Government needs to be a better customer of social enterprise. Again, that is partly about culture change—convincing those who commission services that social enterprises in areas such as recycling or waste management can compete with large private sector organisations and that the safe option is not necessarily always to go for the conventional option of a large private sector conglomerate. I am thinking of, for example, ECT, which provides recycling and waste services.

**Mark Pritchard:** The Minister mentioned commissioning. Will he say on the record that in that commissioning of services there will be no discrimination against faith-based organisations, whether Muslim, Jewish or Christian? Some people have expressed concern to me that, because their organisation is faith-based, some commissioning agencies—whether local authorities or the RDAs—might discriminate. On the record, what, in the Minister's view, should occur in such a situation?

**Edward Miliband:** I fear that the treacle of bipartisanship is flowing; I agree with the hon. Gentleman. I am not in favour of faith-based organisations proselytising through public services, but the reasons that bring people to provide such services should not be a bar to their doing so. I am happy to put that on the record.

**Norman Baker** *rose—*

**Edward Miliband:** I want to make a bit more progress; perhaps later I shall give way again.

By working with the sector, the Government need to do the best job of championing social enterprise and what it can do for our country. Only one in four people knows what social enterprise is; that is a bar to young people coming into social enterprise, to the financing of it and to people buying from it. That is why we set up the social enterprise ambassadors programme, in which 25 very high-profile names—some of which I mentioned—will go round the country talking about social enterprise and what it can do for communities.

The review's fourth message is about volunteering. Youth volunteering, in particular, can bring together different groups, allow people to express their values and help them to build careers in later life. As hon. Members will know, in 2004 the Government set up the Russell Commission to carry out a review on youth action. As a result, the independent charity v was established. Already, v has created more than 200,000 volunteering opportunities for young people, including a number of full-time opportunities. It has also helped 415 projects run by voluntary organisations and partnered with companies such as ITV, T-Mobile, and MTV. The partnership with this last is interesting: MTV helped to promote the charity, and with Oxfam set up the Oxjam music festival, which was run by more than 12,000 volunteers. The concerts did great things for the people who came and for the young volunteers who helped to set them up. We are investing further in v, as we believe that it can create hundreds of thousands more volunteering opportunities.

A range of intergenerational volunteering issues need to be addressed. Such volunteering is important in helping to bring young and old people together. A big issue in many communities up and down the country is about a feeling that goes both ways: young people's suspicion of the old, and elderly people's fear of the young. I want us to make further progress on finding ways to bridge those divides through volunteering.

The public sector can do a better job of taking a lead on employee volunteering. If we are to persuade the private sector to release its employees for volunteering in our communities, we—starting with the civil service, then going further—need to do better in showing that we are giving people time off so that they can volunteer in their communities.

**Mr. Robert Flello** (Stoke-on-Trent, South) (Lab): Does my right hon. Friend agree that one way of changing the culture, particularly in respect of local authorities, is for there to be a good, strong scheme for local authority staff to volunteer in local charities? In that way, they would understand better what local charities, local organisations and the third sector generally have to contend with at the sharp end—when they are putting in bids or dealing with health and safety issues. Local authority staff would then have a much better perspective, and that would help the culture change.

**Edward Miliband:** I agree with my hon. Friend, who makes an important point. There is an all-party commission on volunteering led by Baroness Julia Neuberger, and I hope that it will consider the issue that he has raised. Such secondments and the mixing of people from local authorities and the voluntary sector are the way to break down the barriers and suspicions I mentioned earlier.

The fifth and final message from the review is about third sector organisations' ability to be advocates for social change. It is important to understand why that is important. Third sector organisations often speak up for those who have the least representation in our society. Examples from the past few years show what such organisations can achieve: the work of charities campaigning for respite care for disabled children; the efforts of such organisations as Carers UK to speak up

for the rights of carers; and the achievements of Scope in changing attitudes and legislation on disability on behalf of disabled men and women. In recognition of such roles, the principle of advocacy and campaigning was set out in the Compact established in 1998. However, the review found that many organisations—and I saw this myself—are deterred from advocating and campaigning.

**Mr. Andrew Tyrie** (Chichester) (Con) *rose*—

**Edward Miliband:** I shall give way in a minute.

Such organisations are deterred partly because of the perception of the rules, and partly—we need to be honest about this—because they fear that if they are funded by the Government, they might endanger that funding by criticising the Government. As the Charity Commission said in April 2007:

"We are aware from our work with charities that trustees sometimes exercise a considerable degree of self-censorship in undertaking campaigns, and may not be aware of the extent to which they can campaign".

That is why the Charity Commission has issued a new briefing document on campaigning and is reviewing its guidance. We all have a responsibility to make people understand what that is and is not about. It is not about charities supporting political parties. As the Charity Commission says, and as was clear from the Charities Act 2006, which I took through the House of Commons,

"a charity must not support a political party or candidate."

Furthermore, as I have said many times, the law does not allow—and nor should it in future allow—charities to be set up for political purposes. The issue is about organisations being able to campaign to change the law.

I hope that all hon. Members will support charities' right to advocate, partly because we all have our own personal experiences of charities that we have worked with. I include the hon. Member for Tunbridge Wells (Greg Clark), who has expressed concerns about the issue of charity campaigning. I have discovered that he is a prominent supporter of the campaign by the charity Garden Organic to change the law on the planning classification of gardens. On its website, that charity says that one of its purposes is

"to campaign where we can make a real difference."

It urges its members to take action—to

"write to the minister for housing and planning...sign the petition on the Number 10 website"

and

"make a donation to help us continue lobbying for change".

The website also pays tribute to the hon. Gentleman's work on its campaign, and he paid tribute to the help that he received from the charity with his private Member's Bill last year.

My position is that, whether or not I agree with Garden Organic, I defend absolutely—

**Greg Clark** (Tunbridge Wells) (Con): *rose*—

**Edward Miliband:** Will the hon. Gentleman hear me out? I defend absolutely Garden Organic's right to campaign without fear of being struck off because of an ambiguity about the rules or about whether for one period campaigning was a dominant part of what it did. From the review, I know that others in the sector feel uncertain about the rules.

I hope that the hon. Gentleman and Opposition Front Benchers will, on reflection, listen to the voices of the sector on the issue. The point was put eloquently in a letter to *The Guardian*, which I know the hon. Gentleman reads, signed by, among others, the Royal National Institute for Deaf People and Shelter. The letter stated:

"We would ask the Tories to support the proposals in the third sector review, which will allow charities, irrespective of their size, to tackle injustice by means of campaigning."

I shall give way to the hon. Gentleman, but I warn him not to make a historic mistake on this issue. Charities all around the country remember what things were like in the 1980s and 1990s. Admittedly, he was not a Conservative Member then, so perhaps he should be let off. However, charities remember what it was like when Oxfam felt that it was not allowed to campaign on certain issues and when organisations funded by the Government lived in fear that, if they campaigned, the funding would be withdrawn. The hon. Gentleman needs to take great care not to repeat the mistakes of the past.

**Greg Clark:** I suggest that the right hon. Gentleman avoids the historic mistake of damaging public confidence in our charities—especially by eliding an argument to make a further and more damaging point. Garden Organic is a charity set up to promote organic gardening. Campaigning for a change in the law is part of its activities, but that is neither its sole nor its dominant purpose. The Minister failed to say that he intends to allow charities to be exclusively devoted to political campaigning; that is very different from allowing charities to campaign politically in support of their charitable purposes.

**Edward Miliband:** The hon. Gentleman is absolutely wrong about that. Let me put it on the record again, because he was obviously not listening to what I was saying. I am not in favour of organisations being able to set up for what is called a political purpose simply to campaign to change the law.

The question is what charities think when they are conducting their activities and trying to fulfil their charitable purposes—as Garden Organic was doing by supporting the hon. Gentleman's private Member's Bill and organising petitions and letter-writing campaigns. In those periods of intensive campaigning, do people think to themselves, "Hang on a minute. Is this a dominant activity? Is the Charity Commission going to say that this is not allowed? Will this endanger our charitable status?" My position is that they should not live in that fear and that that kind of healthy democracy—that independence and ability to speak on the part of charities—should be allowed and protected and made absolutely clear. The Charity Commission itself said, in the April 2007 document that I mentioned, that some of the wording has been confusing. That is what this is about. The hon. Gentleman has been saying that it is about politicising charities and supporting political parties. That is nonsense. He is in completely the wrong place on this, because every charity up and down the land knows that this is about its right to speak and have its voice heard.

**Greg Clark:** The Minister has not been listening to what I said. I did not suggest that he wanted to allow the setting up of charities whose purpose was political. Will he confirm, however, that his view is that a charity should be able to devote 100 per cent. of its resources to campaigning politically—yes or no?

**Edward Miliband:** No, that is not my view. The key point is that any activity that an organisation undertakes must be in pursuit of its charitable purposes, as set out in the Charities Act 2006. I want to give other Members time to speak, but this debate will run and run. I think that the whole House will note the attitude of Conservative Front Benchers. There is an opportunity for the right hon. Member for Horsham (Mr. Maude) to distance himself from the hon. Member for Tunbridge Wells, and I hope that he will, because charities throughout the country will be listening and asking, "Has the Conservative party, which has talked about the great role in society of charities and voluntary sector, really changed or is it just superficial?" On the basis of what the hon. Gentleman has said they will conclude that it is pretty superficial.

**Anne Snelgrove** (South Swindon) (Lab): There is a clear dividing line between party politics and campaigning on various issues, and we must state that very clearly. My right hon. Friend cited the example of Oxfam, but does he agree that it is far harder for local charities and groups to campaign on local issues because they fear that their grants will be cut by their local council? Will he give a clear message to local councils that that campaigning is indeed in the spirit of the 10-year review?

**Edward Miliband:** My hon. Friend makes the fundamental point. Lots of small organisations with small amounts of funding think to themselves, "Are we really able to criticise the local authority or will we have that funding taken away?" I see that in my own area. Protecting their right to campaign is very important.

**Mr. Tyrie** *rose—*

**Mr. Francis Maude** (Horsham) (Con) *rose—*

**Fiona Mactaggart** *rose—*

**Edward Miliband:** What a range of choice. I give way first to the right hon. Gentleman.

**Mr. Maude:** I am puzzled to know how the Minister's proposals will make any difference to his argument that organisations may fear that their grants will be cut if they campaign. How will that be changed by what he is suggesting?

**Edward Miliband:** In two ways: first, by the Charity Commission being absolutely clear about what is and is not allowed; and secondly, by the other measures that we are taking to strengthen the support for local campaigning through investment by Capacitybuilders. *[Interruption.]* The right hon. Gentleman says that that is completely different. This is a question of attitude. It is about whether one thinks that campaigning to change our society is a fundamental part of what third sector organisations are able to do or that such campaigning is illegitimate. If that is what Conservative Front Benchers think, that is entirely their decision.

**Fiona Mactaggart:** Does my right hon. Friend agree that one of the ways in which he can protect the independence of small local voluntary organisations is his proposal to encourage local authorities on three-year funding? I remember back to 1990, when Tory Wandsworth council, with no notice, completely cut the budget for Battersea law centre. It was only because a small charity that I was involved in gave it £4,000 that it had a big enough breathing space to continue fundraising, and since then it has raised some £10 million for advice in Battersea. There needs to be a framework for ensuring that local authorities have longer-term funding for small voluntary organisations such as the law centre.

**Edward Miliband:** My hon. Friend is absolutely right. Stability of funding is crucial and we want to make progress on that.

**Mr. Tyrie:** The Minister helpfully explained that he is in favour of an extension of taxpayer support—that is, providing taxpayers' money for campaigning activities through tax relief. He has denied that a charity can be set up and run exclusively for campaigning purposes. Will he now say whether he supports the setting up and running of a charity largely for campaigning purposes?

**Edward Miliband:** No; these decisions are a matter for the Charity Commission. There are 13 charitable purposes, and that is what matters when an organisation is set up. The regulator must decide whether it meets the charitable purposes set out in the Charities Act and provides public benefit, and the question is then whether, in pursuit of those charitable purposes, it can campaign. We need to be absolutely clear that charities are able to campaign to further their charitable purposes. We need politicians from all sides—I hope that Conservative Front Benchers will think again—whether local or national, to understand, celebrate and respect that right to campaign.

I believe that Members in all parts of the House will take pride in the compassion, dedication and diversity of the third sector—the 600,000-plus people who work in the third sector, the 20 million people who volunteer, and the estimated 35 million people who donate money at least once a month. They are a testament to a willingness to take action for a fairer Britain. Over the coming years, the conclusions of this review point to how we can support their efforts.

1.7 pm

**Mr. Francis Maude** (Horsham) (Con): It is probably more than six years since I took part in a debate from this Dispatch Box, and the old cliché about one's opposite numbers looking younger as the years go by turns out to be true in this case.

Until the last five minutes or so, I appreciated the measured and temperate tone in which the Minister opened the debate. These matters should not be the subject of intensely partisan debate, and for the most part they are not, as in his third sector review, with which Members in all parts of the House would agree. We do not need to describe such bipartisanship as treacle, exactly—honey, perhaps, I might say, without

getting too cloying. It is important that these matters are properly discussed, and I am grateful that we are finally having this debate.

It is a pity that the review was released if not under cover of darkness, then on the eve of the recess, through a written statement. That is not quite in tune with the pledges made by the Prime Minister when he took office. It may not be quite so groundbreaking a document, useful though some of it undoubtedly is, as that which was foreshadowed. It does not have the heft or depth of the report led by my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith), "Breakthrough Britain", which is very detailed, substantive and well researched. One or two items in it are already finding their way into Government policy. As they are good ideas, we welcome that.

Everyone pays lip service to the desirability of greater involvement of the voluntary sector in social action and social enterprise, but lots of questions are prompted by that bland statement. We are concerned about the independence of voluntary and third sector organisations from Government, as that independence should be a matter of crucial importance. It is inevitable that where an organisation is getting a significant part of its funding from the public sector, in one form of another, issues are sometimes raised about independence. None the less, independence is crucial. It is interesting that it is not until one reaches page 87 of this 100-page review that one finds any reference to third sector organisations being independent of control by the state, and even then, it is a hidden-away statement on regulation:

"Organisations in the third sector are independent of control by the state or by any other external agent."

Such organisations should be independent. That is important, because that independence is part of the basis on which they have the public's trust. We all value what they can achieve in social action, not only because they are often more efficient and therefore deliver more for the taxpayer's pound than direct Government provision, but principally because they tend to be closer to the people and communities that they aim to serve, and because they can be more directly and more immediately responsive to people's needs, more innovative and less constrained in what they do. Crucially, they are also more likely to be trusted by their users than are the organs of the state. We will come back to that point.

The issue of independence is thus central to the effectiveness of the sector. There are broader philosophical arguments for independence to do with the dispersal of power and influence, and the vigour and vitality of civil society. We can explore those on another occasion. Our concerns about the erosion of the independence of voluntary sector organisations are serious. I would like to spend a moment on this.

The review referred to the principles of the Compact:

"The 1998 Compact on relations between Government and the Voluntary Sector in England, jointly published with the sector and the Compact Codes, provide a framework to guide partnership working between the state and the third sector...The Commissioner for the Compact is now taking forward the implementation of the Compact principles and will champion their dissemination and application across Government."

The Compact principles are important.

It was slightly ironic that just before the review containing those splendid words was published, both the chief executive of the Commission for the Compact and the commissioner resigned without any explanation. As far as I know, those posts have not yet been filled, so it would be useful to hear some amplification about how the assertion that the Commission will take forward the application of the principles will be fulfilled. We also need some explanation of why, only a year after it was established, both its chief executive and the commissioner have departed. The departures are unexplained and some voluntary sector leaders, such as Debra Alcock Tyler of the Directory of Social Change, have expressed their dismay. She has said that

"we have to wonder what's going on—it's actually very destabilising."

Stephen Bubb, chief executive of the Association of Chief Executives of Voluntary Organisations—ACEVO—has been damning in his assessment of the effect of the Compact:

"Many people in the voluntary sector are very strong supporters of the compact, but this is a 1997 document"

—it is actually from 1998—

"that has not been moved forward in any real tangible way."

He also says:

"I'm afraid to say there is a real problem with the level of cynicism among charity chief executives about the compact and how effective it can be. The number of charities that simply don't bother to use it is growing."

It is significant that even the National Council for Voluntary Organisations, which has been the sector's leading advocate of the Compact approach, now appears to question its effectiveness. Its chief executive, Stuart Etherington, has said:

"we need to seriously consider how we can strengthen the Compact. Is it time to consider the possibility of giving the Commissioner formal legal powers to make adjudication stick? Or to identify appropriate sanctions for those that don't comply?"

In reality, the principles of the Compact, which are important, are, in far too many cases, simply being ignored; they are honoured much more in the breach than in the observance. Full cost recovery, prompt payment and multi-year funding, all issues that have been raised in this debate, are simply not happening on anything like the scale envisaged. The dependence of third sector organisations on the state has increased rather than lessened, through the increased use of contracts rather than grants, with strict constraints on what can be done with the money—quite apart from the absence of the positive sides of the compact. That increase reflects a mindset that sees using the third sector as a means of outsourcing Government activities rather than as empowering people to find different and better ways of helping people and communities.

On the funding announcements in the third sector review, the starting point must be a recognition of the hit that the sector has already suffered at the hands of this Government. In the Prime Minister's last Budget as Chancellor alone, the rate of gift aid tax relief was cut from 28p to 25p in the pound, a cut of more than 10 per cent.—the annual cost to charities is in excess of £70 million. Characteristically, that was not a change mentioned by the then Chancellor in his speech, nor did it appear in the Red Book—it was in the fine print; as so often,

*[Mr. Francis Maude]*

the bad news was hidden away. It was also not in the Treasury's Budget notes, nor was it mentioned by the Minister who was then responsible for the third sector or in any office of the third sector communication.

**Mark Lazarowicz:** Just to be clear, is it the right hon. Gentleman's policy that tax relief should be given at a rate higher than the level of tax being charged?

**Mr. Maude:** If I may paraphrase what my right hon. Friend the Member for Witney (Mr. Cameron) said yesterday, if the hon. Gentleman wants to discuss our policies, let us have the election and let the manifesto that the Minister has been slaving away trying to write be published. We will then have the debate and let the people choose. If that is what the hon. Gentleman wants, bring it on.

The change that I referred to has been made, with the resulting £70 million hit to the charitable sector, and that is on top of the effect of the abolition of tax credits on investment income, which costs charities about £250 million a year. That figure does not even include the cost of abolishing tax credits for voluntary sector bodies that do not have charitable status, which were not even covered by the transitional relief arrangements. Against that background, the £80 million small grants programme looks like thin gruel.

A report from the Directory of Social Change highlights the importance of serious, stable grant funding:

"We believe that as part of enabling the voluntary sector to flourish, and trusting it to do its work effectively, government needs to provide more unrestricted funding through non-prescriptive programmes, especially at local level."

It goes on to warn that exactly the opposite is happening:

"Sadly, the reverse seems to be the trend at the moment—funding programmes are becoming exceedingly prescriptive and more rationalised into larger pots for 'strategic' relationships with fewer larger organisations operating at a national level... many small local grant programmes are being phased out, and it is unclear how local voluntary activity and representation will be included and funded as part of Local Area Agreements—there is a real risk that these will lead to less involvement for voluntary sector organisations at the local level as well."

Even where grant programmes survive, they are failing to deliver stable funding for voluntary groups. According to the Charity Commission more than two thirds of all funding agreements were for one year or less, and fewer than a quarter were for more than two years. The Government are failing to deliver on their promise of extending the funding. We support that promise and I think that it would engage support across the House.

Another obvious part of the background to funding decisions is the effect of the raid on the lottery. The first raid on the lottery for the Olympics was announced in June 2006 and removed £410 million from the lottery good causes, including £213 million from the Big Lottery Fund. Then they came round again in March to take another £675 million out of the lottery good causes. According to the Minister, the funding settlement

"protects both existing programmes and future resources for the voluntary sector."

That is a bit disingenuous, because the protection applies only to the funding that voluntary organisations get from the Big Lottery Fund. The funding that the voluntary sector gets from other lottery distributors, such as the Heritage Lottery Fund, Arts Council England and Sport England, will not be exempt from the second Olympic raid. According to the NCVO, cultural, sporting and heritage charities will lose more than £100 million as a result.

On the issue of public service provision, concern has been expressed in many parts of the sector about monopoly commissioning. Everyone is now in favour of diversity of provision, and monopoly commissioning is a concern. A look at offender management services and employment services illustrates that concern.

The centralised management of many public services means that commissioning decisions are taken a long way away from the local contexts in which voluntary sector providers are often best able to demonstrate their strengths. Another disadvantage of centralisation is that services tend to be commissioned on a national or regional basis, effectively excluding medium-sized and smaller voluntary sector organisations which lack the immediate capacity to take on contracts of that size.

There is also a tendency for centralised commissioning to generate a "we know best" attitude from the state, specifying in excessive detail not only what services should be delivered, but how they should be delivered. That tendency to be over-prescriptive is a problem across the procurement of services in much of the public sector and it severely limits the scope for innovation and diversity, which is often the best reason for involving voluntary organisations in the first place.

By opening up the delivery of public services, but not the commissioning side, the Government are programming a clash of cultures into the system. As long as top-down control systems are the norm, public sector managers will attempt to conduct their relationship with voluntary sector providers according to the same rules to which they themselves are subject. There are no easy answers as this is very complex territory, but I urge the Minister to look further at the issue.

The saga of the way in which the Department for Work and Pensions has treated voluntary sector bidders for contracts under the pathways to work scheme is illustrative. The tendering process for phase 1 of the scheme was aborted less than three hours before the original deadline for tenders in February, as a result of the Government revising the specifications at the shortest of notice. A new deadline was set for 25 April, requiring significant additional resources to be devoted by the bidders. When the results of phase 1 were announced, only two of the 16 regional contracts went to the voluntary sector, both to the same charity, which is the largest in the employment services field.

Stephen Bubb of ACEVO—up to that point a strong supporter of the Government's approach—said that the voluntary sector had been

"comprehensively stuffed"

by the DWP's procurement practices. He added:

"There is huge anger in the sector with what seems to be serious problems with the process. This is a natural area for the talents of the third sector. We have been doing some brilliant work and it is implausible that hasn't come through in the

tendering process. The Government has said it wants the sector to play a bigger role in delivering public services, but there is a huge gap between that rhetoric and reality."

Many employment charities that had been delivering services to the long-term unemployed will now be reduced to the status of sub-contractors to the private sector firms running the main contracts. That will significantly reduce the margin on the services they provide, threatening their financial viability.

Another example is the Offender Management Act 2007, which will centralise the commissioning of probation services. We opposed that Bill, which made the Minister abandon his usual efforts to be non-partisan and throw around accusations of betrayal:

"The Tories had a chance to show they mean their warm words about the role of the sector. Instead, they betrayed those words and opted for opportunism."

There are shades of "his master's voice" in those remarks. However, it was clear just who was betraying whom when a coalition of charities working with offenders was formed to oppose the centralising provisions of the Offender Management Act. Members of the coalition include the Prison Reform Trust, The Prince's Trust and Crime Concern. A spokesman for the Prison Reform Trust highlighted the threat to small charities:

"It's one thing to go after a vibrant, mixed economy, it's another to structure it in such a way that only certain people can compete...Regional commissioning is appropriate for some services, but the bulk of work is very local in nature and anything that would risk squeezing out the small charities and community groups has to be guarded against."

There is a simple, broad point here. New Labour has from its outset had an extraordinarily centralising and controlling approach to government. Any idea that that approach might change with the new Prime Minister would have been incredible to any seasoned observer, as it was always clear that he was the big clunking centraliser at the core of new Labour. It was always certain that once he got his hands on the job that he had craved for so long, those tendencies would be wholly unconstrained. I have always thought that his approach was summed up by the worst of all phrases from the new Labour lexicon—"earned autonomy". When translated, that means, "You can do whatever you like, as long as we agree with it. You have no real autonomy or freedom, and you are always on the end of a lead, with master ready to twitch the string at the least sign of independence." That is why so much of the Government's language on the third sector does not ring true.

It is in the nature of the third sector that it should be diverse, dispersed, vigorously independent and capable of innovation. A voluntary organisation's strength is its closeness to its service users and its ability to provide a much more personal, responsive, differentiated, flexible and swift service than the traditional organs of the state. That independence, the allowing of which requires trust and optimism from the Government, is key. But I am afraid that it is and has been under threat from, or has been eroded by, the Government.

Parallel to that is another development, to which the Minister devoted a little time. One does not have to be a conspiracy theorist to find it a bit sinister. It is the orchestrated campaign, which occupies several pages in the review, to widen significantly the ability of charities to undertake campaigning, both political and otherwise. The Minister tried, in a very unsophisticated way for someone whose intelligence and integrity I respect, to make out that our approach is that charities should not do any campaigning at all. That is absolute nonsense. We think that the law as it stands is very sensible. It allows campaigning if it is an ancillary activity. The Minister is suggesting that it should be allowed to be the dominant—*[Interruption.]* Well, he pretty much did suggest that. We will check *Hansard*, but my recollection is that he did say that. He ruled out campaigning as the exclusive activity of a charity, but he did not rule out its being the dominant activity. That would change the law, because the case law clearly says that charities can campaign, but not to the extent that that is their dominant activity. This is well-trammelled territory. The Charity Commission, no doubt completely spontaneously, has revised its guidance twice already, in a way that it says will broaden the scope for such campaigning. It is currently consulting—again, no doubt completely spontaneously—on a third such redraft.

The review published by the Minister quotes a report of Baroness Helena Kennedy's advisory committee. By a curious circularity, that report quotes the Minister himself, who said:

"It is massively in the interest of politicians to champion your"—

that is, the third sector's—"campaigning role".

That quotation was not quite accurate, as diligent research by my hon. Friend the Member for Tunbridge Wells (Greg Clark) managed to elucidate. There were no dots appearing to show an excision in the quotation, but what the Minister actually said was:

"it is massively in the interests of progressive politicians to champion your campaigning role."

I consider myself to be a progressive politician, and I consider my party to be a progressive party, but I wonder whether that is what the Minister had in mind when he used the phrase "progressive politicians". Perhaps he would care to help me out on this. He is maintaining an uncharacteristic silence.

This is a curious development. In the review, all of it was presented in the most anodyne way. However, it should be clear that the proposal is enormously controversial, for two reasons. First, political and party funding, and therefore campaigning, is the subject of continuing discussion between the parties under Sir Hayden Phillips' chairmanship. We read in this Monday's edition of *The Independent* of the Government's intention to introduce unilaterally legislation that would restrict what political parties can spend on political campaigning, out of money that has been raised voluntarily from the public. This would inhibit the ability of political parties to engage in political campaigning, which is what they exist to do; it is their raison d'être. Incidentally, it was interesting that we read about that proposal in the newspapers—so much for the Prime Minister's much-vaunted undertaking that there would be no spin and briefing in newspapers, and that any proposals would be announced in the House of Commons, rather than spun in the newspapers.

We know that the proposal arises from the Labour Party's own financial difficulties; but none the less, that sort of proposal has enormous general implications for a democracy. At the same time as the Government are

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planning to restrict what parties can do by way of political campaigning, they are also explicitly planning to expand what charities can do by way of political campaigning. It may be completely coincidental that both of those things are going on at the same time, but it is a remarkable coincidence.

**Norman Baker:** I am trying to establish in my own mind where the Conservative party is on this issue, and I have a genuine question about it. For example, in the case of hunting—a partisan issue that is largely associated with one party or another in the mind of the public—does the right hon. Gentleman agree that the Royal Society for the Prevention of Cruelty to Animals should have been free to campaign against it?

**Mr. Maude:** It was, it is and it did. I am not sure what point the hon. Gentleman is making. We are not seeking to change the law.

**The Parliamentary Secretary, Cabinet Office (Phil Hope):** Nor are we.

**Mr. Maude:** With respect, we can see what the Government are seeking to do, as the Charity Commission revises its guidance for a third time in a way explicitly designed to widen the scope for charities to engage in campaigning. That is very explicit. On the one hand, this amazingly joined-up Government have a proposal to limit what political parties can do with regard to their primary purpose, which is political campaigning, while on the other hand they are explicitly seeking to expand charities' capacity to engage in political campaigning—having already massively expanded what sitting Members of Parliament can spend out of taxpayers' money on promoting themselves. That is an extraordinarily partisan way to carry on with major implications for our democracy.

However, there is a much wider and more powerful reason why the Government would be wise to abandon that course. To go down that path would be to imperil further the independence that should be such an important characteristic of the public's perception of what makes a charity special. Public support for charities through donations has already stalled. We believe that it would be devastating for the whole sector, especially the majority in the sector, who have no desire to campaign at all, merely to provide services—*[Interruption.]* I totally appreciate that no one is going to be compelled to campaign as a result of what the Government are proposing. My concern is for the majority in the charitable sector, who want to get on with the job of providing charitable services to those who need them. I am concerned that their ability to do so will be damaged because their perceived independence and high public purpose will be constrained if it becomes possible for campaigning to be the dominant part of what a charity does. I urge the Government not to go down that path, because in doing so they could do immense damage.

It is good that we are having this debate, and it is good that we have not totally broken out into violent agreement on all subjects. There is much in the review, as there was in our own study, that repays further consideration. I hope that the strong difference we have on this issue will not get in the way of our working together sensibly to get what everyone should want: a third sector that is vibrant, vigorous, diverse, genuinely independent, and able to provide services that people in so many parts of our country desperately need.

1.36 pm

**Christine Russell** (City of Chester) (Lab): I would like to begin by paying tribute to my right hon. Friend the Minister for the Cabinet Office and the Parliamentary Secretary to the Cabinet Office, my hon. Friend the Member for Corby (Phil Hope). Both have a long-standing commitment to the voluntary sector and are true champions of volunteering.

As hon. Members have said, voluntary organisations and community associations play a central role in the areas that make up the quality of our lives. Volunteers come in all shapes and sizes. They are young people with lots of energy and enthusiasm, and they are retired people who have a lifetime of experience and knowledge to pass on to those in need. It is significant that employee volunteering is growing, as employers, such as the Bank of America in my constituency, realise the benefits of volunteering to the personal development of their staff.

I was doing some research in the Library yesterday, and I came across a report by the Institute for Volunteering Research, which estimates that 22 million people throughout Britain are involved in volunteering. That ranges from neighbourly acts of kindness to people devoting their whole lives to the service of others. The strength of the voluntary sector in Chester and throughout Cheshire is immense. I have a report by Cheshire Councils for Voluntary Service, which was commissioned by the National Council for Voluntary Organisations, and it is called "the hidden power". It describes the extent and the value of local voluntary and charity groups throughout Cheshire. It is estimated that there are 2,900 voluntary and community associations throughout the six districts of Cheshire, spending £113 million, which is quite staggering. They involve 70,000 volunteers, and reach out to 1 million people. That is just one county.

The extent of volunteering is vast and encompasses many people who are engaged in the health and social care sector, whom we value so much. I also pay tribute to all the young people who volunteer. In my city, hundreds of students at the university are involved in mentoring schemes and do much valuable work. We must also acknowledge the groups who support conservation and environmental projects, and all those, including faith groups, who came together under the umbrella of Make Poverty History to campaign for alleviating poverty in developing countries.

We do not always give credit where it is due to the people who spend all their spare time running amateur sports clubs and arts organisations. We also often overlook those who serve our community by working as magistrates, school governors, special constables and Army reservists.

As someone who has long been involved in voluntary work, I could probably speak for hours, but I know that many other Members want to contribute to the debate. I shall therefore focus my comments on what I consider to be perhaps the third sector's greatest strength: its ability to reach people who are so often beyond the reach of the traditional public services.

Before I was elected to the House in 1997, I worked for Mind, the mental health charity that helps give a voice to people with mental health problems and learning difficulties. I recall how challenging life was in the 1880s—*[Laughter.]* It certainly was challenging then, but I meant to say the 1980s and the 1990s—for those who had spent years in long-stay psychiatric hospitals and how difficult it was for them to cope with life in the community. In those days, the provision of community care and support services was patchy to say the least. As well as spending much time trying to get the public services—the health service, local authorities and housing providers—to work in partnership, I also spent an inordinate amount of time going round with the begging bowl, trying to ensure that the organisation for which I worked could continue its good work in the next financial year.

No one has mentioned it yet, but one of the great achievements of our Government in the past 10 years is the supporting people programme, which now helps more than 1 million vulnerable people each year attain or maintain independence through providing housing-related support services. T. S. Eliot wrote:

"Home is where one starts from."

If one does not have a roof over one's head, everything in life—finding a job, enjoying good health, maintaining relationships—is more difficult. The undoubted success of the supporting people programme is built on the efforts of the voluntary sector, especially housing associations.

The Cheshire and Wirral Partnership NHS Trust, which provides mental health services across the Wirral and Cheshire, is committed to developing closer links with voluntary groups, which provide a wide range of therapies and social activities such as shopping expeditions for service users.

Hon. Members will know that mental illness accounts for 40 per cent. of all incapacity benefit claimants. Voluntary organisations such as CHAPTER, which works in Chester and Ellesmere Port in collaboration with the mental health trust, make a huge contribution to helping people with mental health problems get back into employment. The reason for their success is that, again unlike many public sector providers, those voluntary organisations can tailor their support services to meet a person's individual needs.

I want to focus on voluntary work that has transformed the lives of those who live in our more deprived neighbourhoods through involvement in neighbourhood management regeneration programmes. The key to the success of those programmes is having local people—the volunteers—in the driving seat. The community activists and volunteers live in the area and know what the priorities are. They also know the problems, and the solutions that would be best for their communities. Let me give two local examples.

In the Lache estate in my constituency, 20 volunteers, who are all local residents, sit on the neighbourhood management board. They are actively involved in making all the decisions about allocating the £1.8 million of Government funding. They have established a youth forum to ensure that young people's concerns are heard and acted on. The volunteers are also turning a disused piece of land into a community allotment and running a fruit and veg co-op. One of their most exciting activities is being trained by one or two professionals to run a community radio station. That will not only showcase all the individual talent on the estate but provide information for everyone who lives there.

**Mr. Flello:** To pick up on the point that the right hon. Member for Horsham (Mr. Maude) made earlier, does my hon. Friend agree that, if the community group, which is doing some fantastic work, decides that it wants to raise its area's profile and run a campaign, it should not be constantly looking over its shoulder to ensure that it is not contravening regulations on campaigning? Surely it should just be able to get on with it.

**Christine Russell:** I agree absolutely. Such groups are the best advocates of what is needed in local communities.

Another example from my constituency is the Blacon estate. Community activists there have played the pivotal role in the success of the neighbourhood management pathfinder, which has been acknowledged as one of the best in the country. The residents have become so empowered and skilled that they are overseeing an ambitious master plan to provide a new centre for the estate—new shops, new community facilities, improved open space and employment opportunities. I was a local councillor for nearly 20 years, and I know that, for far too long, the public sector adopted the "we know best" attitude. However, cultures and attitudes are changing. Now that many of our regeneration programmes are starting to wind down, we must ensure that the local area agreements that are established to continue the good work acknowledge and use the skills and experiences that community activists and voluntary organisations have built up.

As other hon. Members have said—many have left the Chamber—we must ensure that, as we move further down the commissioning path, the large national organisations do not squeeze the smaller, perhaps more localised, specialised voluntary organisations out of the bidding process.

Briefly, I want to mention the valuable contribution that social enterprises and credit unions make. I see my hon. Friend the Member for South Swindon (Anne Snelgrove) on the Bench behind me. I remember being in the Chamber about 12 months ago when she was making an impassioned plea on behalf of her constituents who were facing the prospect of a miserable Christmas after the collapse of the Farepak Christmas trading scheme. In my constituency—and, I suspect, in many others—the local credit union played a vital role in reaching out to those people who had lost all their savings.

**Mrs. Madeleine Moon** (Bridgend) (Lab): Does my hon. Friend agree that one of the most powerful things about the third sector is its capacity to be flexible? I well remember that in Bridgend the credit union was especially helpful in reaching out to meet the needs of Farepak victims, with a voluntary sector housing association giving them a direct grant of cash. That allowed the credit union to take them on as new members without a record of credit history, which enabled them to take out

*[Mrs. Madeleine Moon]*

a loan and give a good Christmas for their families. Not one of those new applicants to the credit union defaulted on their loan, and the money is now used to expand financial advice to the most vulnerable people in my constituency. That flexibility is the real power behind the third sector.

**Christine Russell:** I absolutely agree with my hon. Friend. I have seen in Chester how the credit union can reach out in a flexible way to all those people who are excluded from our financial services sector.

**Anne Snelgrove:** My hon. Friend has been generous in mentioning my campaign on Farepak, which continues to this day. The credit union in my constituency has also played an important role, but the £5,000 that we needed to underwrite the loans to Farepak customers was itself underwritten by three companies in my constituency, which provides a different model from the Bridgend model. We often underestimate the impact that local companies have on the voluntary sector and on volunteering, underpinning local charities and not-for-profit companies.

**Christine Russell:** Yes. To continue the point, I want to put in a plea to local authorities regarding small social enterprises. When local authorities plan redevelopment schemes, they all too often overlook the fact that small social enterprises are often displaced by new developments. I am thinking of the little companies in my constituency that were literally under the arches. One can now find high-class stabling for the racehorses in Chester and, as happens in other cities, the space under the arches has been used for smart cafés and bistros. Local authorities are good at saying, "Yes, we need to allocate sites for affordable housing"—well, perhaps not all local authorities, but my local authority has been quite good at doing so—but affordable units for small social enterprises are also important. My other point about local authorities is that they need to have flexible planning policies. Too often they turn down applications for socially beneficial businesses to go into units, saying, "Oh, this is a retail unit, so you can't change the use to a launderette", or something like that.

Finally, I want to put in a good word for the 7,000 charity shops throughout Britain, which are run by an army of volunteers and raise more than £500,000 a year for the third sector. It sounds as though I am having a jibe against local politicians, but too often we hear them saying, "Oh, this is terrible! The increasing presence of charity shops is a sign of economic decline." I say to that, "Rubbish! It is a sign of how robust the third sector and voluntary organisations are." Not only do charity shops raise a lot of money for the third sector; they also raise awareness of the charity. I am sure that a number of hon. Members present will have received the same invitation from Barnardo's that I have. They will find me behind the counter in my local branch of Barnardo's on "Make a Difference Day", which I believe is 27 October.

The voluntary sector has gone from strength to strength over the past 10 years, but there are still too many people in our affluent society who feel marginalised and isolated. We need a clear vision for the future. One vision that I should like to offer is to use the example of the children's centres that have been rolled out across our communities. They have done an immensely important job of bringing together under one roof all those public services and voluntary organisations that care for, help and support children and their families. As we move further into the 21st century, I would like every community to have a volunteers centre. I am not talking about spending lots of money on bricks and mortar—we could use the village hall, the church hall or the school that has closed down. However, we need a place where all the volunteers can share resources, meet and network. That would be a good model for the future.

1.57 pm

**Norman Baker** (Lewes) (LD): The right hon. Member for Horsham (Mr. Maude) began by saying that this was his first Front-Bench outing for some time. Having taken a break from the Front Bench, I can tell him that it is also mine. Last time I introduced a debate it was on nuclear power. I am happy to say that, whatever the treacle or honey that characterises not the bi-partisanship, but the tri-partisanship or even multi-partisanship in the Chamber today, I am sure that it will be considerably more than it was on nuclear power on that occasion.

I generally welcome the direction of the Government's policy on the third sector. I am prepared to be proved wrong by the passage of events, but they seem genuine in their wish to make the issue a priority and to move in the right direction. I particularly welcome the publication of "Third Sector Review: Final Report" in July 2007, which has a number of sensible suggestions. Of course, the proof of the pudding will be in how far the Government take matters forward and deliver. The right hon. Gentleman was right to be slightly sceptical about the consequences of the compact in 1998 and about how far that has taken us. However, I believe that the Government are committed, although time will tell.

I particularly welcome the move towards three-year funding. That is essential in giving stability to the voluntary sector. I shall say more about funding in a moment. I also welcome the small steps being taken on the ground, which we do not often hear about. I refer in particular to a small piece in *Whitehall and Westminster World* earlier this month, which said:

"Jobcentres will be working more closely with the third sector after signing a new partnership agreement.

Citizens Advice Bureau...and Jobcentre Plus, who share a common customer base, announced their commitment to closer working at CAB's annual conference".

That is the sort of initiative that is quite useful and which leads to action on the ground that will improve matters for the population at large. More such initiatives will be welcome.

I do not need to dwell on the importance of the third sector. All shades of opinion in the House recognise the sterling work delivered by charities, social enterprise units and others in our constituencies and throughout the country. The world would be a poorer place without the people who work voluntarily to staff the charity shops mentioned by the hon. Member for City of Chester (Christine Russell) and to deliver innovative projects such as the Eden Project, to which

the Minister referred and which I have visited. It is a splendid effort, and a much better testament to the millennium than the dome; it has lasted considerably longer. I hope we can take it as read that we all have a great deal of time for the third sector and recognise the good work being done on the ground.

An interesting aspect of this issue is the relationship between the third sector and the statutory bodies, be they councils or central Government. On 25 July, the Minister said that

"government needs to be a better partner: respecting the third sector's ability to make a difference but never abdicating our responsibilities to fund public services".

I agree with him; that was exactly the right statement to make. There is a feeling, however, among some third sector organisations, that the Government want them to deliver public services. That might be because of a genuine wish to devolve in order to involve communities on the ground, and I understand that. I accept that that is a good motivation. Nevertheless, there is a danger, of which I am sure the Minister is aware, that if we go too far down that track, we will end up with uncertainty over delivery, either because the necessary funding is not in place or because accountability processes and democratic involvement are missing. That is not a criticism of the third sector. I am merely making the point that we need to put in place mechanisms to address those shortfalls, although not in a way that will make things more bureaucratic for small organisations seeking to respond to the challenges that are out there.

Many third sector organisations have no wish to participate in the delivery of public services. The National Council for Voluntary Organisations warned in 2001 that many voluntary groups had

"absolutely no inclination to participate in the delivery of public services at all".

Nor should they have, and the Government are not forcing them to participate. None the less, we must be cognisant of the fact that there is not a one-size-fits-all answer. Each organisation is different. Indeed, the diversity of the sector is one of its strengths.

**Mrs. Moon:** Is the hon. Gentleman aware of how proactive the Welsh Assembly Government have been in ensuring that many areas of work are devolved into the third sector? That has been very positive in helping the sector to grow and helping the services to become more flexible, creative and innovative. It is a positive example of how services can be delivered in a partnership between the public sector, the private sector and the third sector. Perhaps England could follow Wales's example of working in partnership in this way.

**Norman Baker:** I do not disagree with the hon. Lady's direction of travel, or with the fact that we can learn from Scotland and Wales. Devolution in the UK over the past 10 years has been successful in allowing diversity to provide different solutions that can subsequently be rolled out more widely. The option for the devolved Administrations to devise their own solutions is better, for example, than imposing the poll tax, which was a way of rolling out trial solutions in times gone by.

If more public money is to be spent on our behalf by the third sector, on public or quasi-public services, it will be important to examine the accountability of the sector to ensure that the money is being well spent. There is a tension between the handing over of powers and moneys under a devolutionary arrangement to escape the heavy hand of local or central Government and ensuring that the money is well spent. Local government is subject to considerable controls, as it should be, to ensure that the money is properly spent. An audit process exists, as well as targets. There are too many targets at present, but the Government are now abolishing some of them. There is also the Standards Board for England, and a range of other processes to ensure that local government acts properly in carrying out its statutory functions.

Those standards are not applied to the third sector in the same way, and I am not suggesting that they should be. That would be too bureaucratic. We should, however, flag up the fact that the devolution of more services and money to the third sector could produce problems. They might be rare and sporadic, but I have no wish to see the third sector compromised, or to see confidence in the sector shaken. We need to examine the system of accountability that applies to such arrangements.

One method of accountability might involve a Select Committee on the third sector. I think that policy has been advanced by the Conservatives in the book by the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), and it has some merit. The Government's view, as I understand it, is that the Public Administration Committee is the appropriate body to analyse how the third sector is delivering services. On balance, I think that that view is probably right because it is sensible to look at the delivery of those services as one cohesive unit rather than separating them off, which would result in the cross-referencing that we would have under a separate Committee. Nevertheless, the issue needs further consideration.

We also need to consider further the subject of funding. The three-year funding programme is undoubtedly the right way to go. At the last Cabinet Office oral questions, I raised the issues of the uncertainty of core funding, and of the bureaucratic form-filling necessary for so many organisations in order to qualify for grants. Some organisations do not succeed in getting the grants. A great deal of the form-filling for applications for money takes place within a limited time and many of the applications are unsuccessful. That represents a tremendous drain on the personnel resources of small organisations, so a move towards three-year funding is absolutely right.

Will the Minister comment on the question of core funding? There are undoubtedly problems relating to such funding, and in some ways they are getting worse. Local authorities in particular do not find the prospect of providing core funding attractive. It is the same with the lottery fund, which wants to fund particular, cutting-edge projects that will deliver something new or something related to a particular section of the community that is seen as disadvantaged. That is all very laudable, but the consequence is that the voluntary organisations in my constituency and elsewhere are able to get funding for innovative ideas but not for the two or three key personnel without whom the organisation could not function.

**Mr. Flello:** Does the hon. Gentleman agree that this is not only a question of the core administration? Third sector organisations often have particular skills that need to be upgraded and honed continually. The training costs involved in improving and perfecting those skills are often not funded by the very organisations that require and use the skills.

**Norman Baker:** I agree with the hon. Gentleman.

We also increasingly need to consider the skills involved in filling in application forms. That might sound facetious, but it is an important point. People need training in how best to get through the system to secure the money that their organisations need.

The citizens advice bureau in my constituency is an illustration of the core funding problem. I recently received a letter from its chairman, Michael Bell, who said that the local authorities across East Sussex are threatening to replace the bureau's core funding with the commissioning of particular services through competitive tendering in the marketplace, and that fixed costs would then have to be spread across specific projects. At present, there are fixed costs to cover core funding available from the various district councils in the county. That will be a retrogressive move, but such arrangements will become more and more common. I do not pretend that there is an easy answer to the problem, but I would like to hear the Minister's views on the matter.

Another problem with the funding for third sector organisations is the diversity of its supply. In one sense, that is a strength, because the organisations are not dependent on one particular body; that would be a dangerous relationship. On the other hand, that diversity of funding results in a huge amount of work to secure pockets of money from here, there and everywhere. For example, according to the National Audit Office report published in August this year, Mencap received £155 million in the last year for which figures were available, and that money came from 532 different sources. That must have involved a huge number of attempts to get money. Some of these bodies must spend more on internal organisation than they would wish. They want to deal with their client base, and with the people whom they are trying to help, and too much of their time is spent on trying to secure funding.

**Mrs. Moon:** Does the hon. Gentleman agree that that is where organisations such as the Bridgend Association of Voluntary Organisations in my constituency play such a critical role? BAVO does a great deal of the central work, organising training courses across the voluntary sector and organising the database available to the whole voluntary sector within my constituency. It also organises the capacity training to fill in those application forms, so that individual small charities do not have to spend a great deal of time training and capacity building. It is done by a central organisation that brings all the voluntary sector organisations in to receive that training, experience and expertise.

**Norman Baker:** That sounds like a reasonable way forward. It is perhaps a good practice model that could be rolled out in other areas of the country. I hope that the Minister will help to make the third sector aware of good practice such as that and will encourage local authorities to provide the requisite training. There could well be a role for the Government to lead by good practice and making people aware of what is happening elsewhere in the country.

I wish to deal now with the campaigning element of third sector organisations, which was a matter of some disagreement across the Front Benches earlier. Although I thought that the speech of the right hon. Member for Horsham was very thoughtful—it included a number of interesting and sensible points—I have to say that he got hold of the wrong end of the stick when it came to the issue of campaigning. He seemed to raise a spectre that does not really exist and I failed to understand his concerns. As I understand it, there is already a regulator in the Charity Commission and there is already legislation in force. I am not aware that Ministers intend to introduce new legislation—they will perhaps tell me if they do—so the difficulties that the right hon. Gentleman mentioned do not apply.

**Mr. Maude** *rose—*

**Norman Baker:** I will give way in a few seconds. I am sure that the right hon. Gentleman is genuine in his approach, but I fail to see why he is so concerned. Let me provide him with one example before he intervenes. There is a problem now in that voluntary sector organisations and charities are concerned that they cannot go too far. They are worried about the consequences and about their ability to deliver their own mandate because they fear that the Charity Commission might come down on them like a tonne of bricks or that they will be ruled against by the Advertising Standards Authority or whoever. The Royal Society for the Prevention of Cruelty to Animals—I am vice-president and declare my interest—was advised that it was not open to it to campaign for the total abolition of experiments on animals. I believe that that is entirely wrong, irrespective of whether we agree with the policy. Surely the RSPCA, as an animal welfare organisation, should be able to campaign on that issue.

**Mr. Maude:** No one is arguing that charities should be unable to undertake any campaigning. The hon. Gentleman says that I am making more of this issue than is justified. The Minister, in response to my hon. Friend the Member for Chichester (Mr. Tyrie), said that he did not want a change that would enable charities to devote all their time to campaigning. There was some question about whether he accepted that it might be a dominant part of what they did. In fact, the review says:

"The Government can see no objection—legal or other—to a charity pursuing that purpose"—

a charitable purpose—

"wholly or mainly through political activities".

It is not therefore an issue that we are blowing up out of proportion and it is not completely consistent with what the Minister said.

**Norman Baker:** The Minister will have a further opportunity to deal with that particular point and that quote at the end. My understanding is that it is perfectly possible to be highly political—on an issue such as hunting, for example, which strongly divided the House—

without being party political. That is a key difference for me, suggesting where voluntary organisations should go in this respect. In my view, they cross the line if they come out and say, "We believe in this policy, so you should vote for this political party". That would be quite wrong, but saying, "We believe in this policy" is entirely appropriate. I do not see the problem there.

I want to raise another issue about campaigning, as it is a barrier that needs to be dealt with. I have already mentioned my RSPCA role and I should also mention that I am president of the Tibet Society. In that role, I have become aware that a great deal of unnecessary bureaucracy has been forced on it as a consequence of its concerns about the Charity Commission and what it is able to do without being rapped over the knuckles. The same applies to Greenpeace and other organisations. The Tibet Society has had to separate itself into two parts. There is the Tibet relief fund, which campaigns in a completely non-political way—in terms of the categories of the right hon. Member for Horsham—to provide sustenance and support for the Tibetan community in exile in India and elsewhere. Then there is the Tibet Society, which might be regarded as having a more political role in arguing about the Chinese occupation—an illegal occupation—of Tibet. Because of concerns about how that might be interpreted, a dual structure has been created within the society to ensure that no rules are broken. I have to say that all this is unnecessarily bureaucratic. It costs money and it gets in the way of spending the money that has been raised for the Tibetans. Resources are being spent artificially to meet what may be unfounded concerns about how the Charity Commission might respond to the society's work. I very much hope that, as a consequence of the review, that sort of unnecessary distinction, which costs time and money to voluntary organisations, can be dispensed with. I would therefore go in the opposite direction to the right hon. Member for Horsham in that regard.

Let me briefly mention a small, technical point about how the Government are dealing with the third sector. Given that some 70 per cent. of moneys available to voluntary community organisations comes from the local level and that these organisations are not national statutory bodies, there is an argument for the Department for Communities and Local Government rather than the Cabinet Office to deal with the third sector. There may be a case for the Cabinet Office carrying out a one-off review of the third sector, but I am not personally convinced that the Cabinet Office is the correct location within the Government to carry out such a function. It would fit much better with the DCLG. There are problems with the Compact and with the delivery of good works on the ground. We know that the Compact is not being honoured by all local councils. It would be easier to deal with those problems if the function were situated in DCLG rather than the Cabinet Office. I will not lose any sleep if it stays where it is, but I wanted to argue the point in this debate.

The right hon. Member for Horsham raised the issue of the Commission for the Compact. I am not aware of the history either, but it seems unfortunate to lose Angela Simpson and then John Stoker. As has been put to me this week, it can be unfortunate to lose one leader, but losing two looks like something else! Perhaps the Minister will respond not on the diversion that I have just suggested, but on the Compact commission. Seriously, we need to know what happened and we want some assurance that any problems will be sorted out. We must have confidence in the future direction of that body. I would also be interested to know whether the Minister sees it as having a different function or moving in a different direction from how it has been viewed up to now.

Finally, I want to say a little more on the social enterprise side of the issue, which the Minister mentioned in his contribution. I agree with him that it is a very important aspect of the third sector. He mentioned the Eden Project. As he may know, the social enterprise coalition would like some clarification from the office of the third sector as to what it is doing to ensure that the distinctive business needs of social enterprises are represented in the Government's enterprise strategy and framework. There seems to be some uncertainty about that, so it would be helpful if the Minister dealt with the point when he sums up.

For some time we have had a "green Ministers" Committee, an official Cabinet Committee, which has looked into the Government's policies across government from an environmental point of view. I believe that it has been useful in identifying good practice and eliminating bad practice. It would be nice if the ethos of social enterprise organisations and businesses could be rolled out across government in order to achieve best practice in Government Departments. It could improve their dealings with Cafédirect, for example. I am not convinced that there is the same cross-government commitment to support that ethos and such social organisations as there now is to support good environmental practice. The Minister might address that point.

In general terms, however, the Government appear to be on the right track. As someone who criticises the Government not infrequently, I feel that it is important to say when they have got things right, and I think that they have, by and large, got them right so far in this regard. However, I am willing to be proved wrong in due course by the right hon. Member for Horsham.

2.20 pm

**Charlotte Atkins** (Staffordshire, Moorlands) (Lab): The Government's partnership with the third sector is a success story, as we have backed up our policies with proper state funding to enable the voluntary sector to flourish. Total public funding has doubled from less than £5 billion in 1997 to more than £10 billion in 2005. Gift aid is now worth £750 million a year to charities, up from just £100 million in 1997—so much for the Opposition's commitment to gift aid.

**Greg Clark**: The hon. Lady may wish to know that if the withdrawal of tax relief on covenants and the advance corporation tax are taken into account, the total tax receipts returned to charities are in fact now £100 million less in real terms than they were in 1996-97—so charities are £100 million down.

**Charlotte Atkins:** Even if that were true, it would still leave the figure at £650 million, as opposed to £100 million in 1997. Since 2004, more than £350 million has also been invested in the sector to respond to people's needs through specific programmes. However, I accept the points made earlier that we need to do much more

*[Charlotte Atkins]*

about continual core funding—not just start-up funding—for voluntary organisations. For example, as I think the hon. Member for Lewes (Norman Baker) mentioned, citizens advice bureaux in particular are having problems—certainly mine in Biddulph is—with not having sufficient core funding. It provides an excellent service and gets money for particular projects, but it still needs its key work force funded to keep the advice centre going.

The voice of the third sector certainly needs to be heard in order to help change our society for the better. The real test of how well the voluntary sector is working is to take a look at a community and judge how much poorer it would be without the voluntary sector. In Staffordshire, Moorlands—a relatively rural constituency—that would involve first sweeping away all the advice agencies that are so important—Age Concern, the CAB, the Biddulph resource and information centre—and getting rid of the wide range of services, such as voluntary transport, support and expertise, within the Staffordshire, Moorlands community and voluntary services office. They all do an amazing job.

However, I want to focus on the Biddulph resource and information centre—BRIC, as it is known. It is run by Sylvia Rushton, Biddulph's neighbourhood agent, and her volunteers. They provide a friendly drop-in advice and support centre for the most deprived community in my constituency. BRIC also offers a community café, providing a home-cooked, nutritious meal for just £3.25. I met a gentleman there only last week, and it was clearly a lifeline for him; he lives alone, and the staff there not only provide his lunch for him, but they give him a sandwich for his tea as well. BRIC also gives computer access to deprived families and computer training, and it is even moving into the provision of furniture as it responds to the needs of the local community.

Ten miles away in Leek, the Haregate community centre is located on an estate that used to be seen as run-down and rough. That is no longer the case. The local voluntary services have supported residents in running the centre and have helped to develop community pride through such events as local galas, projects to regenerate the recreation ground with equipment, and the planting of shrubs and bulbs, which the community has got involved in. The centre brings the generations together, from the highly successful Sure Start for the early years to music and movement for the over-60s and much more besides.

The Sure Start project, for which I won funding, has transformed lives. I have seen insecure mums with their young children arrive barely having the confidence to turn up. Then they have got involved as volunteers, and before long they start accessing courses and developing skills, which boosts confidence and opens up their prospects. That is good news for the whole family, as aspirations are raised and the children thrive.

Voluntary organisations and charities are central to creating a healthy, vibrant and cohesive society. Two such projects among the many in my constituency are particularly worth a mention. The Honeycomb centre is situated in the delightful village of Longnor. It is a social enterprise and work development centre for people with education disabilities, producing quality garden furniture and craft goods. It works in partnership with Leek college, helping to break down barriers to employment by providing real work for disadvantaged young people in Staffordshire, Moorlands. It recently won an environmental quality mark for using locally sourced Peak District national park timber for its bird tables and rustic benches. So successful has it been in supplying schools and businesses with its products that it has needed a £20,000 extension to accommodate its increasing capacity needs.

The Bridlegate project is located at the mill on the River Hamps at Winkhill near Leek. It is a rural project that accepts students to work with farm animals and on conservation and environmental challenges so that they can build self-confidence and skills and move on to mainstream further education, sheltered employment or volunteering placements. Both projects do a remarkable job on a shoestring, and I congratulate both Ken Weston and Kath Riley who run the projects alongside volunteers.

I welcome the focus in the third sector review final report on the sector's role in campaigning, as it is an important way of providing a voice, particularly to disadvantaged groups. Sometimes it would be much more convenient for local authorities and Government if voluntary organisations did not campaign. They can make life very uncomfortable for elected representatives, but they should not be dismissed as "the usual suspects". Instead, they should be supported as community champions. Nationally, Every Disabled Child Matters has done an amazing job in raising the profile of disability issues and winning Government support for, among other things, vital family respite care.

**Mr. Barry Sheerman** (Huddersfield) (Lab/Co-op): Is my hon. Friend's experience similar to mine in my constituency, which is that that campaigning role brings communities alive? If a good environmental campaign is put together to clean up graffiti or rubbish, or to support the local school, it can bring communities to life.

**Charlotte Atkins:** Absolutely, because it encourages young and old to get involved—people who otherwise would not necessarily have thought about doing so. There is another project in my constituency that demonstrates how much community support really matters.

Rudyard Sailability has had to campaign just to survive. Its problem is not funding—it raises thousands of pounds every year—but the fact the local authority will not give it planning permission for an essential boat store. It has won a host of awards, and is the Royal Yachting Association's first ever centre of excellence and education because of its leadership in providing sailing for disabled people at minimal cost. It caters for every disability with its accessible passenger boat, its dragon boats and its electrically powered sailing boats, which can be controlled by a finger or a mouth. At present it caters for some 1,400 people a year, but its provision could easily expand as more and more people hear of its amazing work.

Sailability attracts trained volunteers from far and wide. It provides not only competitive sailing, but a range of courses for which volunteers can offer their services. The local Tory council, however, would rather

close it down. It wants Sailability to join forces with the private sailing club further up the lake, where there is no wheelchair access, no hoist and no essential boat store. The promised meeting with the sailing club has not yet materialised, but that is probably because the powers that be would prefer not to deal with the strident voice of one Dennis Priebe, one of the mainstays of Sailability. He spends hours, on his crutches, hauling boats out of the lake and putting them back in the lake. He is a very strident advocate for Sailability, and rightly so.

Sailability will not give up its right to exist without a fight. The council has ordered the demolition of its essential boat store, but we will continue to campaign for its replacement. It is essential to protect Sailability's expensive electrically controlled boats from both the weather and vandalism. Sailability will not go quietly; too much is at stake. It gives people with profound disabilities the freedom of the beautiful and tranquil Rudyard lake. It creates aspirations among youngsters like Jibreel Arshad, who hopes that one day he will represent his country at the Paralympics. It attracts families who face the 24/7 struggle with disability, because it enables them to go out and have a good time together. That part of Rudyard lake provides a host of different activities for the whole family to enjoy.

The awful experience that Rudyard Sailability has had with the council over recent years raises a real concern about the relationship between the third sector and local councils. We are told that 99 per cent. of local authority areas are now covered by the local Compact—an agreement between Government and the voluntary and community sector to improve their relationship for the benefit of the communities that they serve—but that agreement was not at all obvious in the council's dealings with Sailability, when it put obstacle after obstacle in Sailability's way.

I welcome public service agreement 21, produced this month. It states that local authorities

"have responsibility for maintaining a good relationship with the local third sector, for capacity-building of the sector at the local level and for the provision of suitable forms of finance for the sector."

The PSA makes some very positive statements about the role of voluntary organisations in local communities in relation to increasing active citizenship, but that will mean nothing if local authorities do not share the vision. The Department for Communities and Local Government and the Audit Commission must support local authorities properly in that role, and also ensure that that is reflected in performance monitoring to hold them to account.

My local district council has just announced a thorough review of locality working with the Staffordshire Moorlands community and voluntary services organisation. It might be thought that there is nothing sinister about that, but immediately after being elected six months ago, the chair of the council launched an attack on village agents because they were unelected, implying that they were a waste of money and got in the way of the elected representatives.

Village agents and their town equivalents, neighbourhood agents, are employed for just 40 hours a month, for £8.64 an hour, to promote meaningful community engagement and involvement. So successful have they been that between January 2006 and September 2007, nearly £570,000 has been brought into local community groups from funding applications directly supported by the work of village agents, community development workers and Staffordshire Moorlands community and voluntary services. In the past six months alone, £136,000 has been brought in. Without such intervention, small community groups in the Staffordshire, Moorlands area would struggle to survive, so are village agents a waste of money? I do not think so.

Recent successes of the village agents project include the transformation of Cheddleton's derelict bowling green from a run-down, vandalised area into a memorial garden. Ongoing work is co-ordinated by Staffordshire Moorlands CVS' hard-working Lesley Savage, who has generated bids for well over £50,000 and inspired grassroots community development work to transform the village's play area.

Another success story is the restoration of the boathouse at Rudyard lake into a museum, by securing funding of £87,000. The community service has also helped to set up a youth forum in Moorside high school, and in doing so has helped to reduce antisocial behaviour in the village of Werrington by some 44 per cent. in just one year.

The work of the town and village-based neighbourhood agents and of the Staffordshire Moorlands CVS development team involves helping communities to set out their priorities. They develop a parish plan, which they then work towards implementing with the statutory agencies. It seems to me that that is real community added value in anyone's book.

However, voluntary organisations face a common problem that arises when they deal with certain local authorities. Local councillors assert, "We are democratically elected. You have no legitimacy because you are unaccountable, minority interest groups." It is true that many voluntary organisations promote their own concerns and the interests of particular community groups, but why not? Surely that is not a reason for saying that they should not be heard. They advocate on behalf of disadvantaged groups, provide a voice for certain communities, and bring different and important perspectives to particular issues. They should be welcomed and not dismissed; they have a right to contribute to the debate and they must be heard.

Good local authorities will welcome input from community groups, as the voluntary sector and councils should have the shared objective of promoting and supporting their local communities in their total diversity. However, my experience is that that does not always happen, and certainly not in my constituency. I hope that the Government will be vigilant in ensuring that local authorities work with the third sector and celebrate its role. Otherwise, their commitment to that sector will be regarded as no more than lip service. That is a challenge that we have to face and deal with.

There has been a very positive environment for voluntary and community organisations over the past 10 years. In the next 10 years, we must consolidate and embed the policy changes that we have introduced, to ensure that they result in genuine and lasting improvements in practice.

2.38 pm

**Mr. Charles Walker** (Broxbourne) (Con): It is a great privilege to speak in this review of the third sector. I promise the House that in my brief contribution, I shall not stray into anything that could be deemed to be partisan. I am sure that I shall be pulled up if I do.

The UK's charitable sector is one of this country's great successes. All of us, wherever we are from, have the right to be deeply proud of it. There is something very British about charities, which do a fabulous job. As the hon. Member for Staffordshire, Moorlands (Charlotte Atkins) so eloquently made clear, they give people an opportunity to engage with their local communities, and they also provide an opportunity for people to engage with the wider world.

I shall not detain the House, but I want to relate a brief family anecdote. My young son was recently part of a team of 196 people who took part in the great north run. Being nine years old, he ran only the two-mile stretch, but the aim of the group as a whole was to raise money for something called Vicky's Water Project, in memory of 28-year old Vicky Buchanan, who, tragically, was killed last year. They were running collectively to raise money on behalf of ActionAid to support the creation of several clean water projects in Ethiopia, which will save many thousands of lives over the next 50 or 100 years. Between them, the young people—actually, they were not all young; some were as old as 76—raised £403,000. People ask how they can go beyond their community to play their part as global citizens to help the wider world, so it is fantastic that we have charities such as ActionAid and Christian Aid that enable such things to happen.

Locally in Broxbourne, we have the good charity Millennium Volunteers. If I am not mistaken, I think that the Government had something to do with setting it up. I get involved in many of its projects, and it does fabulous work throughout my constituency all year round. We also have Groundwork. The hon. Member for Staffordshire, Moorlands talked about getting businesses involved in charity, and Groundwork brings together businesses for team-building days and puts them out in the community doing good work in deprived areas, which is to be hugely welcomed. The charitable sector is a great success story for this country, and I hope that it has a long, prosperous and bright future ahead of it.

I question some of the figures relating to volunteers. Like all hon. Members in the Chamber, I spend a lot of time visiting local charities and attending their annual general meetings. It seems to me that the same people often carry out similar roles for different charities, and double or triple up their roles. People who lead charities say that over the past 10 or 20 years, as people have become busier or had different calls on their time, it has become more difficult to recruit volunteers. I hope that Ministers and our Front Benchers—and we in Parliament collectively—can address that situation and ensure that volunteering remains something that people want to do.

The Public Administration Committee, of which I am a member, has been examining the delivery of services in the public sector by charities. I understand why the Government would like to involve charities in the delivery of public sector services because it might represent an attractive new model of delivery. No doubt many charities are already doing an excellent job of delivering public services, and those that will be brought into the fold will also do so. However, I would like to focus on some possible downsides. This is not a criticism, but a genuine set of concerns.

There is a danger that a form of corporatisation or nationalisation of charities will rob them of the very essence of what makes them so special. A number of charities, many of which are doing a fantastic job, receive more than 90 per cent. of their income stream from local or national Government. The excellent charity Turning Point readily admitted to the Select Committee that 95 per cent. of its funding came from the Government. One must thus question whether it is still a charity, or whether it has more of the characteristics of a corporate organisation. Such concerns are legitimate because the Charity Commission discovered through research last year that 40 per cent. of charities delivering public sector services did not have a complaints procedure. That is worrying and needs to be addressed, because I know that companies delivering services to the public sector must have a complaints procedure so that people can escalate and feed back their concerns.

I am troubled and slightly concerned that large national charities, with their economies of scale, can squeeze out good local providers that are very much in tune with the needs of their local communities. That is particularly true for the charities in my constituency that deal with alcohol and drug abuse. We have two very good niche charities, Chrysalis and Vale House. They take very different approaches to managing substance abuse, but both provide an excellent service. My concern centres on the fact that when contracts to deal with, say, substance abuse are tendered on a countywide basis, small charities do not have the scope, coverage or expertise to bid for them.

**James Duddridge** (Rochford and Southend, East) (Con): Has my hon. Friend noticed that since primary care trusts got even bigger, there has been a move away from funding micro-organisations? For example, in Southend, the primary care trust used to be contiguous with the borough boundaries, and there was very good cross-working. Now that the PCT is larger, there is a disinclination to commission work from small voluntary organisations and charities.

**Mr. Walker:** My hon. Friend makes a valid point, and I am certainly beginning to come across that problem in Hertfordshire. We have gone from having multiple PCTs to a single PCT, and a number of smaller charities are having their funding cut. It is a concern that large charities win contracts, and as a result squeeze out well-established local providers, who provide a service that is focused on and tailored to the local community. That is not a criticism of large charities and national organisations that provide services, because I am sure that they do a very good job, but we have to make sure that we create a space in which both kinds of organisation can exist.

**Mr. Sheerman:** Is there not a danger in stipulating who can compete for a particular contract? The third sector is very broad; the hon. Gentleman has talked mainly about charities, but the co-operative movement is part of the third sector. The sector includes a diverse

range of large and small co-operatives and charities. There are also charities that do not really act like charities. Public schools have been in that position for a long time; they do not operate like real charities. If we get too tidy-minded, we might restrict the range and diversity of the third sector.

**Mr. Walker:** The hon. Gentleman makes some good points, but we have to make sure that we create space for all types of providers, and that we do not favour a group of larger providers over smaller providers. I am sure that most Members would agree, because we all have small charities serving our constituents and constituencies. Another concern about the growth of very large charities is that it could reduce confidence in public giving. If the public see super-mega-charities getting 90 or 95 per cent. of their money from central Government, there is a danger that they might say, "What's the point of me giving money to charities?" The point, of course, is that although large charities may get lots of money, there are tens of thousands of smaller charities that are desperate for money. We have to make sure that people realise that that option is still open to them, and that there are still many deserving organisations towards which they can direct their money.

People in my constituency are slightly worried that large charities will spend too much time looking towards Government, who fund them, as opposed to towards the end user or client group. Those concerns may be unfounded, but it is my responsibility to bring them to Parliament and to the Minister's attention. We have talked about political campaigning quite a bit today, and I think that there are legitimate concerns about it. Larger charities have taken on the persona of corporate organisations, and it is amazing how many marketing, public relations and public affairs people they now have. My local charities do not have any people of that sort, because all the money that they raise goes on delivering charitable services to the end users, but large organisations have a lot more money to hire those people, who I am sure do a difficult and important job.

**Anne Snelgrove:** The hon. Gentleman is making a thoughtful speech and has made some good points. I agree with his point about keeping the balance between large and small organisations. However, I ask him to be cautious on the subject of the number of people employed in PR by national charities. Most national charities that I have anything to do with are keen to emphasise that they keep their overheads to an absolute minimum. If they have people in such posts, it is to enable them to raise more money. The hon. Gentleman does the charities a disservice without meaning to by suggesting that they may be wasting money on those posts, because I do not think that they are.

**Mr. Walker:** I thank the hon. Lady for her intervention. I do not mean to suggest that the charities are wasting money, but that constituents looking in from the outside may worry about how their money is being spent. It is incumbent on charities, and important for them, to keep explaining why PR staff are important.

Of course, political campaigning has a role in the charitable sector and I would not want that to be eroded, but all hon. Members have probably been on the receiving end of some fairly aggressive single issue campaigns which basically said, "If you don't support my position, I'm going to withdraw my vote from you." We in Parliament know that there are very few black or white decisions to be made in public policy. Instead, there are many shades of grey in politics. As politicians, we must balance the competing interests of our constituents. I make a plea, more to charities than to my colleagues, to be mindful of that.

Gift Aid is a fabulous mechanism for charities to raise additional money for good works. The claiming back of Gift Aid, though, can be time consuming. I am sure that many people who give to charity never get around to filling in the Gift Aid forms so large sums of money are potentially lost. Will the Government consider allowing charities to report at the end of the year the amount of money that they have received from charitable donations—gifts from the public—and the Treasury to provide a lump sum on top of that to reflect the Gift Aid? That would remove from the donor the responsibility of filling out the forms, and from the charity the responsibility of collecting them. The Government would accept the audited amount and provide an additional 25 per cent. on top of that.

My final point concerns the Olympics. In Broxbourne we are very lucky—we have the canoeing, and we are grateful for that. It will be a powerful tool for the regeneration of Waltham Cross, a fairly deprived area of my constituency. However, I am concerned that quite a large sum that would have gone to charitable organisations is being diverted from good causes to fund the Olympics. We need to be mindful that that will have an impact on the ability of charities to provide services in our communities. The lottery should primarily be for the little extra things that make life worth living—a cricket pavilion, an extra football field—and not so much for core funding. I entirely appreciate the importance of cancer scanners, but those are better left to the NHS to provide, as opposed to the lottery fund.

That is my brief and modest contribution to the debate, and I thank the House for listening so intently.

2.53 pm

**Mr. Adrian Bailey** (West Bromwich, West) (Lab/Co-op): I welcome the report. As a Labour and Co-operative Member of Parliament, like the Parliamentary Secretary to the Cabinet Office, my hon. Friend the Member for Corby (Phil Hope), it gives me great pleasure to speak on a report that recognises the contribution that the co-operative movement has made in the development of the third sector. Looking way back to the Rochdale pioneers in the 1840s, one could say that they were the first inspirational organisation to develop the third sector by providing whole and unadulterated foodstuffs to their members, providing education to their members, and ploughing back their surpluses into the local community. It was an inspiration taken up throughout the country and, latterly, throughout the world.

When the Minister spoke about changing culture, he put his finger on the significance of the report. We are talking about breaking down the barriers between

*[Mr. Adrian Bailey]*

private provision and public provision of much needed services in communities. We are examining innovative ways of providing such services.

The third sector has suffered from a silo mentality for a long time, which is a legacy of the '80s and early '90s when inappropriate privatisation solidified hostility towards the private sector in providing public services. That did nothing for the private sector, because decent and reputable private sector providers were associated with cowboy operators. As a result of that silo mentality, the suspicion arose in the private sector that new business models catering for social and environmental ends were not its priority, while in the public sector both consumers and providers of public services decided that the best way in which to deliver such services was through either local government or national Government agencies. The perceptions arose that charities just provided for certain niche needs that the public sector could not, and that social enterprises were just fringe operations catering for niche markets and were not part of mainstream business activity.

The reality is very different. We have 190,000 charities with more than 20 million volunteers and £27 billion of turnover. Social enterprises are defined as businesses that are formed for social and environmental ends. There are 55,000 of them with a turnover of £27 billion, and they add £8.4 billion to the economy. There is a certain overlap between the charitable and social enterprise sectors, because some charities include social enterprises as part of their charitable structure.

Whichever way one looks at it, the charitable and social enterprise sectors form a significant part of the economy and provide important services. The report is significant, because it recognises that point for the first time. It also recognises that the needs of the third sector have often gone unrecognised and unacknowledged—the third sector has historically been the Cinderella sector. Although I would not embarrass the Minister by describing him as "the handsome prince" or the money that he is providing as "the golden slipper", the report, the importance that the report has been accorded and the money that has been provided will go some way to giving Cinderella the role and recognition that she deserves.

This afternoon I have listened to examples, which I am sure are replicated in all hon. Members' constituencies, in which volunteers in the charitable sector or social enterprises play a role in the welfare of the local community. If one considers the number of people involved—20.4 million—one realises that that body of people is a huge resource of commitment and expertise that is there to be tapped and organised to benefit the local community. The report is valuable, because it outlines how that resource can be harnessed.

There is no doubt that it is difficult to get young people to engage in traditional political processes and that there is a certain alienation from the traditional governmental agencies that provide benefits within communities, but that does not mean that young people do not have enormous idealism, enormous commitment and a desire to change their own communities. By engaging young people in volunteer activities, charities—as I have said, charities may contain social enterprises—not only contribute to the welfare of their communities, but help young people to develop social skills and, possibly, educational skills, which enable them to contribute to a much greater depth as they mature into adults. In demonstrating that to themselves by participating in such activities, they also get an enhanced understanding of the relative roles of citizens, the voluntary sector and democratic Government activity. That must be good for the whole country and democracy. I welcome the Government's commitment to invest more money in improving such capacity; that is essential if such roles are to be developed.

I want to single out a number of issues on which I would like to probe the Minister; the first is that of community endowment funds. Other Members have mentioned groups that have said to them, "We just need a grant for this, but there does not seem to be any charitable lottery or local government funding stream that provides for our specific needs." Despite everything that such groups try to do through all the different agencies within local authority areas, there are still unmet needs.

On the needs of charities and provision for them, I have long felt that in our local society there is a huge desire to contribute to welfare in one way or another; that is reflected in the level of charitable giving. However, all too often there is no local charity to fulfil the desire of people to invest in a charitable purpose. There must be some mechanism that marries the unrealised desire of some people to contribute to a specific charitable end with the range of charitable provision within a certain area to meet that.

I see the community endowment funds as a possible mechanism for that. Like everyone else, probably, I look around my local area and see legacies of historical philanthropy: parks, fountains and even little horse troughs provided by a local donor. We have all seen such things, and I would like to think that that spirit is still alive and well. Through the community endowment funds, we have to find mechanisms through which somebody who wishes to contribute to their local community can do so in a way that fulfils their charitable purposes that are presently not met. I ask the Minister to take up the issue. It is totally in line with new Labour thinking; I have often heard that we must have traditional values in a modern setting.

**Mark Lazarowicz** *rose—*

**Mr. Bailey:** My second point—*[Laughter.]* My second point is about the social enterprise sector. I mentioned the role that co-operatives and the less traditional forms of business model play in meeting social-environmental needs. It is interesting that, basically, the definition of the third sector in the report is about the purpose of a business, rather than its structure. Social enterprises embody a whole range of business models: some are charities, but a subsidiary of some form of social enterprise; others are co-ownership organisations, co-operatives or community interest companies and so on. There is quite a range.

However, a common thread runs through them all, because they all comprise people who not only want to fulfil certain social and environmental ends in the outcome of the business of which they are part, but share certain values. For example, I do not know of any co-operatives engaged in land mine production. Most

of them would have a higher degree of community responsibility and ethical concern than one might find in a more traditional proprietor-based business structure. The more that one does to boost knowledge and understanding and to promote those forms of business structure, the more likely one is to fulfil certain community regenerative aims.

The hon. Member for Lewes (Norman Baker) observed that the social enterprise sector has requested that we consider the business enterprise and regulatory reform model with a view to enhancing its research into and support for social enterprise within business. I will not repeat everything that he said but merely add that, given the difficulties involved, getting robust statistics to demonstrate the impact that charities and social enterprises have on the economy is an issue that needs to be addressed through the third sector review.

One of the sector's great problems is that, because it operates in so many areas, the departmental overview of its services is fragmented and all too often is not the priority of any one Department. One of the great virtues of the approach taken by the Cabinet Office and the Minister is that they have pulled those together to give the sector the sort of priority that it should have. I look forward to the Minister pushing the agenda with all Departments to ensure that comprehension of the role that it has to play is enhanced.

**Mr. Flello:** On the question of outputs as against outcomes, does my hon. Friend agree that although it is sometimes easy to have a list of outputs—things that can be ticked off and measured—the contribution that a third sector organisation will make is often a much softer one with an outcome that cannot be measured until several years down the line, which in itself creates a problem?

**Mr. Bailey:** I thank my hon. Friend for making that comment. I have in my constituency a charitable trust, the Murray Hall Trust, which works in the most deprived communities to engage people in the educational and training process. Some of its volunteers have become staff and are mentoring people within those communities to try to give them the confidence to train and take on jobs. That approach is bearing fruit, but its full benefit will not be known for many years to come. Although we must have ways of monitoring outputs, they must be sensitive and reflective of the sort of long-term agenda that we seek. We are talking about changing culture and society, and that takes time.

My last point concerns political lobbying. I am a little surprised by the attitude taken by Conservative Members, because in my experience the lobbying done by charities is most uncomfortable for the Government of the day, and as that is not likely to apply to them for quite a long time I do not see why they should be too worried about it. If we are really to have an independent and powerful charitable sector, charities must have the right to lobby politically, and the procedure put forward by the Charity Commission is the correct one.

In a slightly mischievous moment, I picked up the list of early-day motions and found that many are promoted by different charities and that loads of Conservative Members sign them. I am all in favour, but I do not think that one can argue against political lobbying while at the same time being prepared to sign such motions. The hon. Member for Lewes was again correct when he said that we are talking about overt party political lobbying. It is perfectly legitimate for charities to lobby politically for the social and other outcomes for which they were formed.

Many of these bodies bring a degree of practical expertise to Government deliberation, which is necessary in the formulation and translation of policy into legislation. I have seen that in any number of areas, where charities have taken up particular issues because there has been either an unintended consequence arising out of previous Government legislation or a new need that has emerged or has not been appreciated by it. There is a danger that if one seeks to curb the political advocacy of charities, one will restrict the ability of those organisations to influence legislation and policy in a way that is beneficial to the whole community and to the reputation of this House.

I welcome this hugely wide-ranging report—I would not pretend that I have been able to cover all the issues—because it is going in the right direction and is part and parcel of a process by which we expand the recognition and appreciation of the fact that social enterprises and charities are able to deliver services that will transform the lives of millions of our people.

3.12 pm

**Hywel Williams** (Caernarfon) (PC): I am grateful to be able to contribute to this debate—I was very anxious to do so. I must start with an apology: I cannot stay for the winding-up speeches because I have an engagement in my constituency. No disrespect is intended to you, Mr. Deputy Speaker, or to the House, because Caernarfon is far away, or, as one wag in my constituency said recently, "The problem with London is that it is so remote from the places that really matter." In his case, what matters is the village of Rhostryfan.

As a Welsh Member, I must be careful about commenting on a report that is so obviously to do with England, but it contains important matters that are of interest to Welsh Members. Some of the recent developments in the third sector in Wales should be of interest to people in this place. It is sometimes said that Wales does not have a very large voluntary sector, but that depends on how we measure things. Wales has a large voluntary voluntary sector and a small paid-for or professionally employed voluntary sector. We have amateurs in the best sense of the word: amateurs who love the cause for which they work.

Wales is sometimes said to be a land of societies and long-winded committees. The 19th century satirist John Ceiriog Hughes said of organising an Eisteddfod, "What you really need is a date, a venue, a list of subjects and a committee." Hon. Members will note that he said nothing about competitors or the output of the Eisteddfod, and that the committee was the important matter. I do not decry committees. In fact, I want to pay tribute to people involved in the third sector—in my constituency, throughout Wales and elsewhere—for their commitment, enthusiasm, willingness to give both materially and of their time and, as the report notes, their willingness to work with government at local and national level, and on a UK basis.

*[Hywel Williams]*

In Wales at least, the common pattern is to have voluntary community organisations. One matter that I wish to explore briefly is the possibility, in Wales and perhaps in England, of some sort of status for local grass-roots organisations that might not wish to register as charities, such as unincorporated association status. There are examples in other countries—I am familiar with Denmark and France, where very small organisations can register as associations. The organisations have charitable purposes, but perhaps do not want to go through the long drawn-out process of registering as a charity. The association status in both those countries provides a minimal measure of formality for those very small organisations and the possibility of extending their existence when the impetus arising from their establishment is dissipated.

In Denmark, for example, there are town and city associations, which run the festivals that are common in the summer. Those associations are small and do not necessarily register as charities. In France I have a friend, Mr. Bernard Le Mer, who is an enthusiast about maritime history, and his association owns an historic sailing boat. It is not a charity as such, but when one member leaves another joins so that the purpose of maintaining the boat is sustained in a way that might not be possible without the association model. He also has an association which is improbably named the Henvic Society for the Promotion of the Importation of Scottish Non Dairy Products—it is a whisky club.

There is a balance to be struck between such small, informal organisations and the opportunities for campaigning that have already been mentioned. I do not want to get involved in that debate and I certainly do not intend to defend the Government, but I noticed from a close reading of the report that it states on page 26 that

> "a charity which loses sight of its charitable purpose and allows political activity to take over as the end in itself has gone outside the bounds of what is acceptable for a charity. Whether or not that has happened in any individual case is for the Commission, as regulator, to decide."

That is a clear statement. I have certainly been involved in organisations that are, if not political in the party sense, certainly quasi-political, and have never registered as charities because they suspect that they would fall foul of such a regulation. A long time ago I was involved in the Welsh Language Society, and that has never registered, although it has the charitable-type aim of preserving and extending the use of the Welsh language.

It is clear that some charitable bodies have been wary of political activities and there is a danger that their priorities will be skewed by the funding regime under which they work. We are all aware of that danger and it needs to be constantly reviewed. The Prime Minister wrote in the report that the aim was to make "space and opportunity" for the third sector to flourish, and we can all sign up to that. No one would say that they did not want to make space and opportunity for the third sector to flourish.

My experience of third sector organisations—those involved with mental health, benefits, mental handicap and learning difficulties—is that they are often the most innovative in public sector social policy. They face problems with sustained funding—a point that I made in an earlier intervention. Before I was elected in 2001, I was an adviser to the Welsh Affairs Committee on its long drawn-out investigation of social exclusion. We talked to a large number of voluntary organisations during that investigation, all of which pointed out the problems of chronic short-termism in funding. They often spent February and March either writing notices to their staff or trying to scrabble around for odd bits of money. A three-year funding term would be welcome. Some small community organisations were talking about a five-year period, so that they could develop their services, and the professional roles of their paid-for staff—people could be sent away for training and come back to make a useful contribution, perhaps before moving on to other jobs.

I mention in passing two social enterprises in my constituency as good examples of the contribution that the third sector can make. Antur Waunfawr is a project working with people with learning difficulties. It was set up in the 1970s following a hospital scandal in Wales, which led eventually to the closing of large mental handicap hospitals, as they were called. Antur Waunfawr is a village project with both housing and employment on site, and is now developing other services. The important thing about it is that it is not set apart from the village, but an organic part of it. Local people feel quite happy to call into the garden centre and the café; its open day is attended by many hundreds of people.

The project arises from the community, which is certainly the view taken by its founding force, a man called Gwyn Davies, who tragically died last Friday. He certainly saw his role in Antur Waunfawr as being to root it in its own community. Other hon. Members have talked about projects in their communities, and I think the best such projects share the aspect that they are part of the communities from which they sprung. Antur Waunfawr has developed a recycling arm, which looks much more like an enterprise, or a small business. It recycles furniture and takes away waste paper, including confidential waste, and provides a service to all sorts of local businesses. It is not a not-for-profit organisation. It makes a profit, but that goes back into the business. It is quite hostile to the not-for-profit label, because it makes one.

The other organisation to which I would like to draw hon. Members' attention is called Galeri. It set out to renovate shops in the town of Caernarfon in a manner consistent with its mediaeval, Victorian and Georgian architecture. When it ran out of shops, it built a multi-million pound arts centre on the quayside. It is a fantastic place and I encourage anyone coming to Caernarfon to drop in. It has a very good restaurant and bar; it has a performance space, theatre and all kinds of stuff. That shows how able Galeri was to mutate, change and morph from being a company doing up shops to one that undertook the huge enterprise of building an arts centre. Most people in Caernarfon think that it is owned by the Welsh Assembly Government or the council, but it is actually owned by that third sector organisation.

I shall close with some of my concerns, which are based on funding evaluation and the ability of organisations to network. Last year, an investigation took place into the third sector in my constituency by a

group called Menter a Busnes. It concluded that third sector organisations find it difficult to know where sources of funding are—none of its conclusions were surprising—and an increasing number of them are looking to commercial activities to supplement their funding. They tend to run into trouble when they divert their personnel towards commercial activities, rather than the central purpose for which they were set up. None of that is surprising, but this evidence comes from ground level.

As far as evaluation is concerned, fewer than one third of the organisations surveyed had any mechanism for measuring and analysing their social and economic contribution. Only one in three organisations were actually measuring what they were doing. I was involved recently in something called a social audit, which is a new method of evaluation, for Antur Waunfawr. We found that £1 spent by the local voluntary organisation goes further environmentally, socially and economically, especially in rural areas such as mine.

The investigation by Menter a Busnes found that voluntary organisations have few avenues for sharing and learning from other organisations in the same field locally and nationally, and that they are less effective than the private sector at initiating commercial activity, marketing their efforts, recruiting personnel and assessing their effectiveness. Those are all learning points for the future. It was also found that voluntary organisations are not sufficiently familiar with methods of bringing their expertise to bear on public policy, and thus making a contribution to formulating and implementing that policy. A great deal more could be done in Wales and England on that.

**Mr. Flello:** The hon. Gentleman is making a thoughtful speech, although I am sure that the names of some of the organisations are giving the *Official Report* writers some difficulty. Do not his findings from the social audit report further emphasise that lack of core funding for small charitable organisations means that they are unable to do many of the things that he outlines?

**Hywel Williams:** The hon. Gentleman makes a good point. Antur Waunfawr happens to have grown to a sufficient size to engage in a social audit. It pulled in people like me—I gave a day of my time to it—because it was a thorough investigation, which took qualitative and quantitive evidence from local people involved in the organisation in a long drawn-out session. However, as the hon. Gentleman points out, not all organisations can do that.

I emphasise the third sector's potential to contribute to local life and the local economy and its key role in helping formulate, develop and implement policy. I look to see the third sector grow in my area. The roots are deep and should be nurtured.

3.27 pm

**Mark Lazarowicz** (Edinburgh, North and Leith) (Lab/Co-op): I am delighted to have the opportunity to make a few comments in this afternoon's important debate, not least because, by the end of our discussion, a total of five Labour and Co-operative Members will have either spoken or intervened. That is no accident because those of us who come from the co-operative as well as the Labour tradition have at the heart of our political philosophy the co-operative ideal of self-help and communities working together to address the needs of their society and area. It is therefore unsurprising that we have an interest in how to extend community self-help, which is behind the thinking in the review.

Like, I am sure, all hon. Members, I am fortunate in having a wide range of campaigning and non-governmental organisations—charities and non-charities—active in my constituency. The headquarters of large, campaigning NGOs, such as Friends of the Earth Scotland, are in my constituency. The headquarters of organisations that provide valuable support to charities and NGOs on the ground are also based in my area. They include Citizens Advice Scotland and the Scottish Council for Voluntary Organisations. I believe that all their staff are full time, but their work assists tens of thousands of volunteers who work in communities in Scotland. To echo a point that was made earlier, it is dangerous to pick out the number of full-time staff in organisations because that does not always take due account of the work of those organisations.

Hon. Members may have noticed that I am wearing in my lapel a poppy from the Poppyscotland appeal, which was launched yesterday in the Scotland Office in Dover house. I am fortunate to have the Poppyscotland headquarters and its poppy factory in my constituency.

That is just a snapshot of some of the headquarters and national organisations that are based in my constituency. I would not even dream of picking out too many local organisations, for fear, apart from anything else, of perhaps offending those that I did not mention. Like all of us, if I were to list the local organisations active in my constituency, we would be here well beyond the 6 o'clock deadline and probably well into tomorrow. I once tried to count how many people were involved in local activity in the third sector in my constituency. I estimated the figure to be certainly well over 10,000, and probably 20,000, with 1,000 to 1,500 organisations, illustrating how much the work of community organisations and the third sector is at the heart of community life and society in all our constituencies.

Community organisations provide a vital role, as all hon. Members know, not just in delivering community services and assisting in their provision, but in giving voice to communities defined by both geography and interest. In many cases, community organisations also help to re-establish some of the basic social bonds that have broken down or to build those bonds that have never been established in the first place. Such organisations play a vital role, and I am sure that we have all experienced that in our constituencies.

Many of the policy areas affecting the third sector in Scotland are devolved. I will not take up the House's time by talking in detail about issues that do not fall within the responsibility of the Minister and the UK Government. There are, however, a number of important areas in which what the Government have done is of great benefit to third sector organisations in my constituency, just as I am sure it will be to organisations in the constituency of the hon. Member for Caernarfon (Hywel Williams) and hon. Members from other constituencies outside England.

*[Mark Lazarowicz]*

Mention has been made of gift aid. Unlike the right hon. Member for Horsham (Mr. Maude), I continue to believe that gift aid is a wonderful support for charities. Without that innovation, introduced by the Government, many charities would not be able to do the kind of work that they do. I pay tribute to what has already been achieved not only by gift aid, but in trying to respond to the concerns raised by charities about how gift aid schemes operate.

I was intrigued by the suggestion that the hon. Member for Broxbourne (Mr. Walker) made to make it even simpler for charities to make use of the gift aid regime. I saw the Minister nodding away enthusiastically when the suggestion was made. I am not sure how far his nodding was a commitment on behalf of the Government—perhaps he is not nodding now; I do not know—but the suggestion was certainly interesting. I suspect that it would probably be of particular benefit to small charities that have not started to make use of gift aid, perhaps because they feel that any bureaucracy is too much extra work to bear, so I hope that the Minister will take up that suggestion.

**Mr. Andy Reed** *rose—*

**Mark Lazarowicz:** I am happy to give way to a fellow Co-operative Member.

**Mr. Reed:** This is not a Co-operative matter specifically, but about gift aid and sports clubs. As my hon. Friend said, many organisations are so small that it is not really worth their while to take the scheme forward. One thing that is being promoted is the idea of extending gift aid and working on, for example, junior subscriptions. As he rightly said, tens of thousands of people give up their time to help voluntary sports clubs. One way to make a significant difference would perhaps be to extend any changes that we make to junior subscriptions, which would encourage more people to get involved and to participate, which would benefit them, and would remove some of the obstacles caused by the complexities of gift aid as it stands currently.

**Mark Lazarowicz:** I am grateful to my hon. Friend for that point. Perhaps I should declare an interest: I am about to fill in the renewals for the subscriptions of two of my children for the junior football groups in which they are involved. He makes a good point. For people who already spend so much time volunteering to support local organisations, any extra bureaucracy is something that they could do without. Anything that makes it simpler for them to attract finance to support their activities is important. My hon. Friend has made a valuable suggestion and I hope that the Minister will nod enthusiastically about it, either now or in his departmental meetings at a later stage.

We have been talking about co-operatives, and many of the Government's measures on co-operatives apply to Scotland as well as to England and Wales. The support for credit unions has also been important. I am fortunate to have in my constituency the headquarters of the Capital credit union, one of the most innovative in the UK. Credit unions have been supported by the UK Government. I also mentioned Citizens Advice Scotland, which is funded by the Government to do work related to money advice and citizens advice. I believe that the Government are still the major funder of that organisation. We have also seen some welcome changes to the rules set out by the Department for Work and Pensions, which will make it easier for people to do voluntary work while still claiming benefits, to a certain extent. All these issues are relevant to my constituents, just as they are to those of Members of Parliament from England and Wales.

I want to suggest to the Minister a way of making it even easier to contribute voluntarily to community organisations in the third sector and thereby be a benefit to society. This suggestion, too, has UK-wide possibilities. We should encourage even more employers to facilitate arrangements for their employees to take time off to contribute voluntarily to local organisations. Many employers already do a wonderful job in that regard and there are many interesting schemes, of which I am sure the Minister is aware, to encourage such activity and make it possible.

Some employers, however, are not as good as they ought to be at encouraging and enabling their employees to take part in voluntary activity in their local society. There are particular problems for small businesses, which find it difficult to allow their employees to have time off in this way, but there must be ways of developing the ability of employers to encourage their employees to take part in voluntary activity. I think that the statutory right still exists for local councillors, justices of the peace, magistrates and some others to take time off to engage in public duties. I am not sure that I would want to apply a parallel arrangement for employees taking part in voluntary activity, partly because the exercising of that statutory right has been problematic, and partly because I would not want to add a complicated regulatory regime to the burdens already affecting employers. However, there must be some way to give greater rights to people who want to take part in voluntary life in the community, and to encourage and facilitate that activity when people face an unhelpful attitude on the part of their employer. I hope that the Minister will think about that suggestion.

I said earlier that it is essential that all sectors of government show respect for the work of the third sector and encourage its ability to provide for the needs of our communities. I mentioned the recent decisions of the Lib Dem-SNP council that now, thanks to the proportional representation system, runs the administration of Edinburgh city council. I must emphasise that I did not raise that matter in a partisan way. The hon. Member for Lewes (Norman Baker) knows that I am as non-partisan as he is. I would have made those points if the council were Labour, Tory, Unionist or anything else. I raised the matter because it provides an example of precisely what should not be happening. We know that after years of campaigning and arguing, we finally reached a situation in which the majority of local council funding for local organisations in my areas was being provided on a three-year rolling basis. Organisations had a degree of certainty with service level agreements that were designed to allow them to plan year by year. Then they suddenly found that their funds—what they had thought was their guaranteed three-year funding—were to be cut in the middle of the year. That will not encourage financial stability for local organisations.

In opening today's debate, my right hon. Friend the Minister for the Cabinet Office emphasised how important long-term stability of funding really is, particularly for third sector organisations. I would not expect my hon. Friend the Parliamentary Secretary to get too involved in the internal politics of my city council—though he is welcome to do so if he wishes—but I hope that in his summing up, he will emphasise how important it is for all levels of government to try to work towards a regime in which funding for voluntary organisations is much more secure and much more long-term.

We want to avoid anything that can be debilitating to the work of staff, volunteers, voluntary committees and so forth. They do not want to spend half their time every year running around trying to raise money to keep themselves going for next year. All too often, they have just completed one funding application only to be at it again in respect of the funding for next year. Security of funding is vital to community, non-governmental and voluntary organisations and charities. The more we can move towards such security, the more we will help those organisations to maximise the potential they can offer to their society and community.

3.42 pm

**James Duddridge** (Rochford and Southend, East) (Con): It is a pleasure to speak after such a veritable shopping list has been drawn up for the Minister to follow up. I would like to add a few more items to that shopping list, in my own modest way.

Charity is probably in MPs' blood. If we run through our pockets, desks or handbags, we will probably find a raffle ticket or an invitation to something that we attended last week in our constituencies and neighbouring areas. I am also interested in charity from a legislative perspective, and I sat on the Public Bill Committee that considered the Charities Bill. However, this is not a debate about charities; it is about the third sector.

I am a little bit unsure about the usefulness of the "third sector" terminology. The hon. Member for West Bromwich, West (Mr. Bailey) talked about silos and the need to break them down, but pulling together a disparate group under the umbrella of the third sector is not particularly helpful. I assume that the third sector is so described on account of the other two sectors—public and private. The Government have passionately tried to merge those two in respect of financing and provision. Even in the pure charities sector, we hear about a lot of merging and about Government provision via charities. Even within the third sector, there are massive differences between a mutual, a co-op and a social enterprise.

In his introductory remarks, the Minister said that many people did not understand what social enterprise was. If they actually saw social enterprise, or if they knew that Divine chocolate was a social enterprise, or that getting involved in the community and doing things for themselves rather than relying on the state amounted to social enterprise, they would understand it a lot more. However, it is not always helpful when we use this terminology.

I mentioned MPs and their involvement in charities earlier, though last weekend was one of the few in which I did not visit a charity—but Age Concern came to visit me, which was a pleasure. The charities in Rochford and Southend, East tend to be hubbed around RAVS and SAVS—Rochford Association of Voluntary Services and Southend Association of Voluntary Services. I suspect that that is similar to what the hon. Member for Bridgend (Mrs. Moon) described within her constituency. Such voluntary service associations can be very useful, particularly in overcoming some of the core problems in the charity sector which have been discussed, including those to do with training, long-term finance, the provision of buildings, core funding and having a degree of continuity over time.

One charity particularly worthy of mention in Southend is the Southend Fund. I mention it not because of the good work it does, but because of its structure. It was initially pump-primed with a sum of about £100,000 by a mayoral fund four or five years ago, and that has subsequently been added to by other mayors and mayoresses of Southend. The principle behind the charity is to make micro-donations to small organisations—particularly those that are, perhaps, associations rather than pure charities. The hon. Member for Caernarfon (Hywel Williams) referred to this topic. That is a sensible way forward, not least because it reduces bureaucracy. The Southend Fund does not have any full-time staff; the management of the fund—which amounts to about £250,000—is conducted through the Essex Community Foundation. Very effectively and with little administrative cost, it makes a big difference to organisations such as South East Essex Advocacy for Older People, the YMCA locally, the stroke club and hospital radio. The fund has a major impact without having much bureaucracy.

There has also been a debate about whether small or big is good, and whether local or national is good. In his introductory remarks, the Minister for the Cabinet Office said that small was not always best, but I think that local is best. The hon. Member for Lewes (Norman Baker) suggested that Age Concern bridges those gaps by being a national organisation but with local offices.

My hon. Friend the Member for Broxbourne (Mr. Walker) talked about problems to do with funding via the Government and primary care trusts to charities that provide specific functions. I am concerned that the expansion of the PCT in Southend will lead to a decrease in public sector utilisation of local charity provision.

However, I support the idea of a deep relationship between the public sector and the so-called third sector—or, specifically, charities. Charities can be much more effective than the public sector in delivering locally. There is a good example in Southend. The PCT funded "Growing Together", a garden area where people with mental health problems grow produce and sell it on. That is a very effective project. I would like there to be more such funding, rather than PCTs and central Government trying to get a one-size-fits-all solution for the country or a region.

I have a concern about greater Government funding: I am unsure what the tipping point is. The hon. Member for West Bromwich, West (Mr. Bailey) discussed the funding of charities and whether there is a point when it

*[James Duddridge]*

becomes difficult for organisations to be independent of central Government. I think that that tipping point stands at about 50 per cent. My hon. Friend the Member for Broxbourne mentioned charities that are 90 per cent. funded by Government money. That is too high; such a large proportion of Government funding and influence means that there is too much crossover between the charity sector and the public sector. It also leads to me thinking that some of the people I speak to at the local level have, as it were, two hats on—a quasi-private sector hat to do with the provision of services and another one as an independent volunteer.

I recently met a constituent who wanted more interaction with my local authority, and wanted me to assist. He said, "They only want to consult; I want to be involved." When I asked what was the difference between consultation and involvement, he said, "Three hundred pounds." The point was that one process constituted a consultation for which he would wear his voluntary sector hat, while the other constituted involvement through the same organisation. I think we should be a little careful about some of these arrangements, especially as they affect the smaller charities in our various areas.

As for large charities, I am worried about the extent to which they are taking on a momentum of their own at national level and becoming somewhat detached from their local organisations. I recently saw the post of director of fundraising and finance for a big and reputable national charity advertised in a newspaper. The salary offered was £80,000. While I recognise the need for professionalism, that is a long way from the fundraising activities of the charity in Southend.

The Minister spoke of getting public servants more involved in charities, and there has also been discussion about providing small blocks of time for people in the private sector to become more involved. Perhaps there could be long-term secondments for both civil servants and private-sector individuals to assist charities with some of their core functions—such as finance—which require a large amount of technical expertise, although it is possible that if they went into the charitable sector for only a short time, they might add much more value than if they remained there for a long period.

I was interested to hear about asset transfers to the third sector from both central and local government. I hope the Government will make it much easier for councils to make such transfers, perhaps consulting the asset books to see what is available. We should also take a good look at ourselves as a nation, and ask why the United Kingdom donates only 0.7 per cent. of gross domestic product while America, for instance, donates an amount closer to 2 per cent. I think that part of the reason is the tax system.

Several Members on both sides of the House have mentioned gift aid. It seems sensible to treat all money received by a charity as money that could be subject to gift aid—as having come from earned income rather than other forms of income, and thus subject to tax relief. That would be a bold deregulatory move; it would also be a bold move in that it would give money to charities that our citizens are already endorsing by donating to them, rather than the money being taken in taxation and redistributed either to the general public purse or in the third sector specifically.

Members have referred to lottery funding and concern about the Olympics. I believe that the lottery will become increasingly discredited if we stretch lottery money further and further into provision of public services, and I hope the Minister will state clearly where that development will stop. I also know that many organisations do not support gambling of any kind. Methodist churches, for instance, have problems because nowadays most funding seems to come from lotteries.

I mentioned earlier that I had been a member of the Committee considering the Charities Bill. The Minister in the Committee was very helpful in resolving issues related to trustees, but a number of concerns were expressed about the public benefit test and private schools. We were unable to convince the Minister in the Committee of the merits of our case in relation to private schools, but I can tell the Minister who is here now that there is still concern, despite extensive consultation with the Charity Commission. In Southend, certainly, schools are concerned about the level of provision. Some are concerned about over-provision in the community—which is not necessarily a bad thing—and some about the opposite, but many are simply talking about the legislation and what they should be doing. That is not the point of the operation: they should be getting on with things, in a clearly defined way.

I am especially passionate about charities involved in the international sector. My hon. Friend the Member for Broxbourne (Mr. Walker) mentioned ActionAid and Ethiopia. After a visit to that country, I know that the charity does some fantastic work.

We need to do an awful lot more in the third world, and to raise charities' profile in this country so that it is acceptable for people to donate money. I went to a Methodist church last week, and found that it had a very interesting system. Young children went around and collected money for the third world, but only 80 per cent. of the donations were used to that end. The remaining 20 per cent. was devoted to UK charities, and that seemed a sensible way of overcoming the argument that we should look after people in this country as well as sending money overseas.

Finally, without becoming over party political, I want to enter the fray in respect of political campaigning. I do not approach this matter from a legislative perspective, but I was interested in what the hon. Member for Lewes said about Tibet. He described how an organisation had effectively split into two parts, one to campaign and the other to provide relief. Personally, I should be happy to donate money to both groups, but the hon. Gentleman was using that as an example of how it is inefficient to set up two organisations.

However, I believe that charities would receive more money if that model were adopted more widely. Certainly I should be prepared to donate to a broader group of charities if it were. For example, if I put money into an AIDS charity, I would prefer all of it to be used to provide retroviral drugs; I would not want it to be used to pay for a glossy leaflet, which would simply end up back on my desk, saying that the Government should do more. There is a case that the Government should do more about AIDS, and also a case that that argument should be funded via charities—but personally, I would not want to fund that.

3.57 pm

**Anne Snelgrove** (South Swindon) (Lab): I also welcome the report on the role of the third sector in social and economic regeneration. I believe that it may be the first 10-year plan to be brought forward in this area, and the fact that it has happened so quickly is very impressive.

Swindon has a thriving and innovative third sector, comprising both local and national charities, and social enterprises. Like many other hon. Members, I want to use local examples to illustrate the richness of the third sector and to describe its successes and the challenges that it faces. The 10-year vision articulated in the report provides local government and national Government with an invaluable opportunity to strengthen the sector and to ensure that it is truly knitted into the fabric of our society, rather than seen as an option or an add-on, as it sometimes is.

Our vibrant Swindon economy provides an ideal British base for many international companies, such as Zurich, Motorola and MAN ERF, which makes articulated trucks. We are also home to Nationwide, the biggest building society and mutual society in the world. Only this week, representatives of that company came to the House of Commons to launch its road safety campaign, "Cats Eyes for Kids". On Sunday, it sponsored the Swindon half-marathon, which in turn raised money for our local Prospect hospice. Nationwide is an excellent local firm that provides local help for local charities. We in Swindon also make the Civic, Honda's latest success story, and Swindon Pressings supplies the bodywork for the Mini.

All those local companies not only fulfil their responsibilities to the national and international communities through corporate social responsibility programmes, but support our third sector through financial help and workplace giving schemes. They also enable their employees to take part in local volunteering. Their activities truly strengthen our local community—as covered in a key section of the report.

As a contrast to our economic success, however, Swindon also has two of the most deprived estates in the country and, as in any town, some individuals and families live in poverty. Health inequalities mean that life expectancy on those estates is as much as 10 years lower than in neighbouring wealthier areas. While our school and college results have improved over the past 10 years, sadly there are those who do not have the high skills required by Swindon's international IT and top management companies. Others are out of work for a variety of other reasons. We are an asylum dispersal centre, and local support for asylum seekers is extremely limited. Drug and alcohol abuse exists in Swindon, as it does in any similar conurbation. We absorb the homeless from surrounding market towns because our third sector makes provision for the homeless, including the young homeless.

I have given a thumbnail sketch of Swindon, because it demonstrates not only its local capacity, but our locality's absolute need for vibrant third sector involvement. Such involvement is not a desirable option, but a necessity, and is not to take the place of the state, but to work alongside it.

Of course, the third sector is ideally placed to provide innovative solutions and tailored local provision. It can move quicker than central and local government. It attracts to its work force, and as volunteers, many gifted and dedicated people who are highly motivated to make their community a better place. By concentrating solely on a single issue or sector, it can see more clearly what needs to be done. I was thus pleasantly surprised by the report's emphasis on the importance of the third sector's role in campaigning and providing a voice, especially to disadvantaged groups. I was pleased about the new funding to promote community participation and the significant sums to back that up.

There is a difference between political and party political. I hope that the capacity building that the Minister has announced will cover local councils and councillors, because I believe that my local council does not have the political maturity to cope with the third sector campaigning or showing dissent. I worry about councils withdrawing funding from organisations that they see as not agreeing with them or having the cheek—as it is perhaps perceived in some cases—to campaign against a council decision. I have lost count of the number of local charities and not-for-profit organisations that have come to me with tales of woe about money being withdrawn, but asked me not to do anything in public because the council had warned them that my intervention would lead to the withdrawal of funds. That is extremely sad and disappointing.

Several hon. Members have mentioned gift aid, but I want to talk about something slightly different: this year's 20th anniversary of payroll giving in the UK. Payroll giving is the most efficient way in which higher rate taxpayers can give to charity, yet only 2 per cent. of UK workers give in that way. Alongside the actions that come out of the third sector report, I hope that Ministers will campaign to promote payroll giving, because it has so much potential to bring the private sector closer to the third sector. In my experience, companies that promote payroll giving go on to promote volunteering and company funding of local third sector activities.

Payroll giving is a simple, tax-efficient scheme that allows employees to give to any charity that they choose through a deduction straight from their gross pay. It takes just half an hour for a company to fill in the two forms required to implement the scheme. There is no tax for the charity to claim back, because the deduction is automatic. Through organisations such as Workplace Giving UK, a higher rate taxpayer can give £25 to charity every month at a cost of only £15. The same donation made through gift aid would result in the charity losing £5.77 through tax.

"The Business of Giving", a report by the Giving Campaign, found that 96 per cent. of companies with payroll giving in place thought that a good employer should offer such a scheme. Some 83 per cent. said that it was simple for staff to join the scheme and 79 per cent. said that it was easy to run. Other findings were that payroll giving improved company image, staff morale, and staff recruitment and retention. Research by Oxfam and YouGov found that a third of British employees would give an average of £9.60 a month through their salary if they knew how to do it. That

*[Anne Snelgrove]*

equates to an annual total of nearly £1 billion. Surely we can help to release some of those funds. I invite hon. Members to join in with workplace giving, because we can donate through our payroll scheme.

**James Duddridge:** As the hon. Lady knows, I had the privilege of visiting her constituency this summer, and at an event I sat next to the leader of her local council. I am sure that, despite the political divide, he would be distraught if applications were not supported simply because there was a Labour MP. I was about to say that applicants should not be further disadvantaged, but I will try not to be party political. Will the hon. Lady assure the House that she will write to the leader of her local council about the allegations, giving as much detail as she can, so that the council can follow the matter through and make sure that the problem that she describes does not happen? It would be completely unacceptable if it did.

**Anne Snelgrove:** I am glad to hear that. I have already raised the issue in private. I think that the leader of the council, Councillor Bluh, would be horrified if applications were not supported for the reasons that I set out, but unfortunately other members of his party would not necessarily be as horrified. I have taken up that issue and a number of others. It makes me extremely angry that charities and not-for-profit organisations still come to me with that problem. I will not release those charities' names as a matter of honour, in case they are punished further. They have asked me not to give their names, and I cannot do anything about that unless they give me permission to name them. I hope that the hon. Gentleman will use his influence with the other people in his party.

To return to payroll giving, one company that knows about the benefits of the scheme is Barclays, which has an office and branches in my constituency, and which celebrates 20 years of payroll giving next month. They work in partnership with the charity Leonard Cheshire on its "ready to start" programme for disabled entrepreneurs. Disabled clients receive equipment, training and support, and are matched with a mentor from Barclays. It is an excellent scheme, and at the end of September Swindon became the 27th place in which it has been rolled out.

At the launch, I was inspired by two different things: first, by the enthusiasm of the "Barclays buddies" for the task that they were about to start; and secondly by the description that Liz, a wheelchair user, gave of her business start-up, which was made possible by the "ready to start" business mentoring scheme. Liz now runs a part-time business, offering bed and breakfast to fellow disabled people in her bungalow in Poole. The business is so successful that she has bookings for all but two weeks this year. The business not only allows Liz to be defined by her abilities, rather than her disability, but increases her income and provides her with more independence. Leonard Cheshire's 60 years of experience in working with disabled people, plus Barclays's business expertise, means that they are ideal partners to deliver that important scheme. They are also delivering on an important aspect of Government policy, which is to help people on disability and incapacity benefits back to work.

There are many examples of companies in my constituency that give a strong lead on volunteering and supporting the third sector. I apologise to them for not being able to mention them all. However, as I said before, there are difficulties, and I want to raise the case of a charity that collapsed recently through the local council's lack of support—I am sorry to say that, because I know that the hon. Member for Rochford and Southend, East (James Duddridge) will be cross to hear it. There was a good local youth service called Youth Information Swindon, which closed in September this year despite almost universal praise for its work with disaffected and hard-to-reach young people. I give hon. Members my word of honour that I raised the matter in private with the leader and chief executive of the local council as recently as about four weeks ago.

YIS provided support and training for young people aged 14 to 25, many of whom faced social exclusion, and many of whom were not in education, employment or training. Funding initially came from the borough council, as the council felt that it was important to have information and support services for young people in the centre of the town—and good on them for thinking that. However, in March this year, the council decided not to renew the service level agreement. Without the council's support, it was difficult, if not impossible, for the charity to secure enough funding from other bodies to remain sustainable. The charity collapsed in August. I reflect on the sudden pulling of funding, and I welcome the three-year pledge in the report. I hope that the Minister will press councils to take that up as well.

As well as having a drop-in centre in the town, YIS carried out a wide range of outreach work. It ran anger management and "Get Confident" courses for young people that have been praised not just in Swindon, but elsewhere. YIS also ran various workshops that engaged those difficult to reach young people. The young people involved often faced a complex range of social disadvantage and they were given the opportunity to engage in activities in a supportive environment. YIS received many referrals from the probation service, the youth offending team, the youth service and schools and colleges.

Smaller groups like YIS often do not have the funds to employ fundraisers. It is almost impossible to deliver the work of the organisation and secure enough funds to remain sustainable. Greater financial support is desperately needed for community based organisations so that they can continue with their important work. The collapse of YIS leaves us poorer as a community. Now that the people who ran YIS are dispersed throughout the community, it will not be possible to rejuvenate it.

I know that time is pressing, but I want to mention briefly another issue in my town: asylum seekers. We have the Harbour project, which nestles in the shelter of a church in the centre of Swindon. It truly provides a safe harbour for the many people whom it helps. It has been in existence for seven years and an almost incredible number of visits are made to the drop-in centre—3,800 in the year to April 2007, compared with 829 in the same period to April 2003. Those visits are made by people from more than 60 countries across the world, representing many languages and faith groups. There is virtually nothing else for asylum seekers between Reading and Bristol.

That is a difficult group to help and reach. It is not a fashionable group. There is some opposition to such work, and I thought long and hard about whether to give publicity to that work today. The difficulty for the drop-in centre is that one of its major funders had just dropped out. Seeking new funding is always an arduous process for small organisations, and the outcome of applications is far from predictable. In addition, there seems to be less money available and more competition to obtain it. That leaves the Harbour project with the prospect of having to cut activities and abandon new developments. I hope that the 10-year plan will help Harbour remain the strong organisation that it is today, and I challenge Swindon borough council to continue to support that important project.

The charities that I have mentioned will be extremely pleased with the announcements in the report, including the expectation that when Government Departments and their agencies receive their 2008 to 2011 budgets, they will pass on that three-year funding to the third sector organisations that they fund as the norm, not the exception.

I shall finish with some information from Voluntary Action Swindon, which welcomes the £10 million of new investment in community anchor organisations and community asset and enterprise development, but wants the term "community anchor" to be clarified. We need some of the supporting money in Swindon to help us understand how we can use community anchors. I was interested in that aspect of the report, and I hope that we will get some help in that respect.

National Compact week is coming up from 1 to 8 November. All local public bodies, including Swindon borough council, and 44 community and voluntary organisations have signed up to the Swindon compact. The working relationship between the public sector and the third sector has been improved since the launch of the compact in 2005, but it is important to have sufficient resources to implement it and its five codes of practice.

Voluntary Action Swindon has asked me to say that it should be a statutory duty for local authorities to support and fund the local Compact. Both the Big Lottery Fund and Capacitybuilders are keen on funding sub-regional, regional or national organisations' infrastructure or front line. Voluntary Action Swindon is concerned that local infrastructure organisations will lose out in getting funding in that way. At a meeting with me in early September, its representatives pointed out that a balance must be struck to ensure that local groups get sufficient support from local and regional infrastructure. A number of national and regional organisations that are not based in Swindon have scooped up contracts and tenders to deliver services in different areas under the regime of commissioning and public service delivery. Voluntary Action Swindon is concerned that that process will continue, which will drive out small, local charities and not-for-profit organisations.

This Labour Government are working in partnership with the voluntary sector. They have backed up their policies with proper funding from the state to enable the voluntary sector to flourish, and I commend them for that. Businesses in Swindon are also working in partnership with the voluntary sector, and I want to praise them for doing that and to encourage the local council to do more. My call is for the council to do more, for the Government to encourage payroll giving, which is a success story in Swindon and up and down the country, and for Ministers to join the payroll giving scheme.

4.15 pm

**Fiona Mactaggart** (Slough) (Lab): I declare my interests as a trustee of the Mactaggart cyber café, of Commonweal Housing and of various charitable giving trusts—I have been involved in that area all my life. I want to discuss three important aspects of the strategy report, which are voice and campaigning, strengthening communities and creating a healthy environment for the third sector.

Government Members and Opposition Members have had a ding-dong about voice and campaigning, and I am disappointed by the view taken by Conservative Front Benchers and Back Benchers that there is something distasteful about charities choosing to campaign. We need to trust the charitable sector. I do not believe that an organisation such as Save the Children would spend an enormous amount of its money on political campaigning unless it thought that that was effective. Furthermore, I know that my constituents are keen to spend their hard-earned money on that organisation.

It is worth trying to think through where the voice comes from. In the first instance, it comes from the efforts of those charities to meet particular needs. Such charities see when the shoe is rubbing in statutory services, and they realise where the gaps are. Sometimes they invent services to fill such gaps—the hospice movement, the carers movement and the probation service were all invented by the voluntary sector—but sometimes they rightly point to the Government and say, "Shift yourselves. Get active. Do it."

**Greg Clark:** The hon. Lady is labouring under a misapprehension. We have no intention whatsoever of changing the constraints on campaigning by charities, which, as she has rightly pointed out, Save the Children does effectively and vigorously. We have no plans for change, but the Minister has.

**Fiona Mactaggart:** The review makes it clear that many charities are held back from campaigning—indeed, charities often silence themselves, because of the present restrictions. We need to create an atmosphere in which they feel free to use their expertise in order to gain changes in the law. It is worthwhile our understanding where their voice comes from. It comes from expertise—for example, bodies such as Citizens Advice provide advice and advocacy—and from a connection with the most excluded people in society, who often do not vote or even manage to make their way to our advice surgeries. The capacity to provide a voice is a critical part of the role of the third sector, and I urge the Minister to do more in that regard.

I am glad that the Minister has proposed in the review the creation of a more permissive atmosphere for political campaigning for charities. May I draw to his attention the fact that the Department for Education and Skills is planning to axe the small but effective community champions fund, which provides £3 million a year to enable individuals to tackle issues around them? It is one of the central Government

*[Fiona Mactaggart]*

funds to go to individuals. I have seen it promote initiatives that range from creating the national charity for foetal alcohol syndrome to mums fixing things for their children here.

I am sure that the Minister did not mug up on this before the debate, but I strongly urge him to point out to his colleagues at the Department for Education and Skills how, for example, the community champions initiative can create the activism, volunteering and civic engagement that so many in this debate have talked about. The hon. Member for Rochford and Southend, East (James Duddridge) described the issue well when he said that charities are in MPs' blood.

We are politicians; we want to change the world—although some of us want it to go backwards and others want it to go forwards. Nevertheless, we are interested in using politics and social action to achieve an end. In current discourse, many people think politics a rather unsavoury way of achieving social ends, but find charitable action appropriate for achieving them. By getting involved—starting by shaking a tin for poppy day next week or whatever—people become more aware that they have a role in society, that things are not just decided by others and that they can change them. They become more capable of organising things in their neighbourhood, thereby creating a more autonomous society with more powerful citizens. The third sector contributes substantially to strengthening communities through all sorts of voluntary organisations. As MPs, we are interested in civic action and politics and should welcome it when organisations are prepared to use their knowledge, contacts and expertise to run overtly political campaigns for change. Without that, some of the changes that we need would not happen.

**Greg Clark:** The hon. Lady and I agree; it is that very connectedness that allows charities to campaign—for example, on social problems—from a position of knowledge, which is essential. We think that that connectedness should remain, which is why we resist the Minister's proposal that a charity should be able exclusively to engage in political campaigning.

**Fiona Mactaggart:** The hon. Gentleman mischaracterises the proposals, but I shall allow the Minister to explain the extent to which he does so.

The third issue on which I want to focus is the review's proposals to create a healthy environment for the third sector. I welcome the proposed £80 million investment in supporting organisations for front-line charities. Often, the micro-charities that have been so praised in this debate simply do not have the infrastructure to enable them to do all the things that they aspire to do. They require underpinning support, ranging from meeting rooms to IT support and training. The review's proposal is sensible, but I ask the Minister to take care to ensure that, when making the investment, he does not create a self-fulfilling circle of slightly smug organisations that look inwards and not outwards. There is a serious risk. I hear wonderful organisations in my constituency who work with some of the most deprived, marginalised and excluded communities express concern that the council for voluntary service is always using its own rooms so they can never get somewhere to meet, or that the CVS's discussion with the local borough council is a closed loop that does not include small organisations.

It is vital that this investment is used to help people to reach out. I would suggest, for example, that it is used to help develop different models of accountability for voluntary organisations. At present, many of the funding streams are frankly oppressive. If we could find simpler ways of allowing local voluntary organisations to provide appropriate accountability for taxpayers' money, we could make it easier to give money. That is a problem that is worrying Government to some extent. In their innovative proposal to provide endowment funds and community network funds, I read between the lines and become anxious about accountability and processes. The initial paper that was published in June suggested explicitly that there would be £50 million of capital grant in

"endowments for community foundations to make sure they can provide grants in the future for community groups."

That seems to be happening rather slowly, and I am anxious about that because I am keen on making progress as swiftly as possible. There is a good reason for that. At the moment, many community foundations, certainly in Berkshire, are operating through the local network fund. Local network funds will run out in March 2008, which means that foundations will have to have made their final grant-making decisions by that date and from then on will no longer need the staff who make grants. Unless some of these funding streams are in place in time for them to continue, we will lose a significant on-the-ground source of expertise that can facilitate such small, targeted, grant-giving micro-organisations. Community foundations solve problems that are often under the radar of local authorities, often developing witty and intelligent ways of finding funding. I urge that this resourcing should happen quickly.

This is an intelligent paper in terms of providing resources to local organisations. When I speak to charities, I always say, "Find lots of places to get money from. Don't just be a one-legged stool, because otherwise what will happen is what happened to Battersea law centre", which I mentioned earlier. Wandsworth council cut off its grant and it was about to fall over until one of the grant-making trusts that I was involved in gave it a grant. Following that, it developed the capacity to raise money from private law firms, charities and trusts, and has continued successfully ever since without Wandsworth council. It is very important that organisations have sources of income that are as diverse as possible. They should generate their own income through social enterprise, secure grants from charities, get money from the public sector, find sources of money from businesses, and so on. The proposals on funding in the paper will help with that.

There is a particular concern about community assets. Community organisations should be able to acquire assets and use them in order to generate funds. I am sometimes depressed about effective voluntary organisations failing to milk their assets sufficiently well. We should put pressure on them to do that, but, as a caveat, we also need to ensure that where a public asset is put into a community organisation's plans,

there is a guarantee about its return to the public if that particular community organisation comes to an end. I hope to be reassured by the Minister who sums up that there are proposals to do that.

I have spoken a lot about the important role that I think local endowment funds can play. One of the reasons why I think that and why I welcome the proposal for that, is that they can generate charitable giving. We need to increase and normalise the degree of such giving in the UK. This proposal will help to do that, but we should examine other proposals that also achieve that. There has recently been much talk in Parliament about the Government taking money off people after they have died, but they should encourage people to give away money before they die. We should urge the Chancellor to examine the model of the remainder trust or living legacy, which is used in the United States, to encourage people not only to retain security in their lifetime, but to give substantial assets to charitable causes.

There are imaginative ways in which we can encourage charitable giving without nationalising. I once heard Darcus Howe powerfully, and in his inimitable voice, say to Ken, when talking about the Greater London council and voluntary organisations, "Don't you nationalise our efforts." He meant that statutory takeover can diminish human effort, which is at the heart of charity. The interesting thing about this strategy is that it is good at avoiding such traps. I urge the Minister to go further down the routes I have mentioned to ensure that in avoiding those traps, the Government avoid some of the little traps in their good strategy that could diminish its effect.

4.31 pm

**Mr. Andy Reed** (Loughborough) (Lab/Co-op): I am grateful to have the opportunity to speak. I shall add something slightly different from some of the things that we have heard this afternoon. I am a Labour and Co-operative MP, so I am delighted that so many of my colleagues have had the chance to highlight the benefits of mutualism and the co-operatives. I was particularly pleased that my earlier intervention in respect of the training that is required so that other people start to understand social enterprise, mutuals and co-operatives at regional development agency level has been met with a commitment at a meeting with RDAs yesterday. I am proud of that.

Before I entered this place, I worked as a project officer for Leicester city council and Leicestershire county council working with the voluntary sector. I suppose that I was slightly on the wrong side, in that I was the person who said whether or not it could have its money, but really it was the other way round, because I found myself as the advocate for the voluntary sector in the local authority. I saw, day by day, the enormous power that the voluntary sector could have in economic development. This is not the traditional role but, in economic development and employment initiatives, the voluntary sector was able to reach target groups that large bureaucratic organisations such as local authorities and some private companies could not, particularly when it had European social fund money. The voluntary sector could relate to individuals.

The strength of the voluntary sector is that many organisations probably began because parents could not find provision locally and they got together as a self-help group and things grew from there. This is the source of the innovative approach: people coming together when existing structures do not meet the demands of and changes in society. That is my experience.

Like many hon. Members, I sit on a number of trusts and charities in my constituency. My involvement has meant that people have asked to get involved, and I am delighted to give my time just to allow that to happen. Such bodies range from small organisations such as STEPS, where I am a trustee, to the Rainbows hospice in Loughborough, which is an organisation that has to raise nearly £2 million a year. I dread the thought of waking up every 1 April as the fundraiser, knowing that it must raise £2 million a year just to keep going. However, it does so because of the good will of the people of Leicestershire and the rest of the east midlands. I am proud to support that too.

As many hon. Members know, my specific area of interest is sport. As far as I am aware, the fact that 26 per cent. of volunteers are people who volunteer in sport has not been mentioned. My background in volunteering and sport means that I recognise that there are differences between the areas. The voluntary sector does not necessarily see sport as part of the traditional voluntary sector and we sportspeople do not necessarily see ourselves as part of it. I now chair my county sports partnership. We have brought on board someone from the voluntary sector—from Voluntary Action Leicester—to ensure that its voice is heard around the sports table, and vice versa.

Some research was done recently looking at the volunteer centres around the county and the provision of services. It was highlighted to me that between 16 and 20 per cent. of people who turn up at a Voluntary Action centre looking for an opportunity to volunteer want to do so in sport. However, my own tests show that it is unlikely that those centres have a connection with the local sports clubs that are desperate for volunteers. We need to work to ensure that the voluntary sector in its widest sense understands the needs of volunteers in the sports sector.

It is a two-way process. Part of the problem is that volunteers in sport do not necessarily regard themselves as volunteers; they just see themselves as helpers. I do not regard myself as a volunteer, but then I had a quick think about last weekend. On Friday night I helped to take my son's under-8 football team to watch England under-21s at Leicester City's ground. The fact that a Mexican wave started after 21 minutes sums up the quality of the football we saw, but at least they won. On Saturday, I played my normal game of rugby for the side I have belonged to for 25 years. We now have a second team, so I have been relegated to captain of the second team. There I was, putting out the posts and the pads before the game kicked off. Then on Sunday morning, at church, it was my turn, as it is once a month, to do the cornerstones group—as it is now called, although it is still old-fashioned Sunday school to me. I do not regard myself as a volunteer, but without realising it, over one weekend, I had been helping on three occasions.

*[Mr. Andy Reed]*

Over the last few months I have been working with the Scout Association, and my plea is on behalf of those people who regard themselves as helpers rather than volunteers. The voluntary sector has, rightly, professionalised itself. We need child protection and all the other apparatus that surrounds the volunteer, but we are almost too keen to professionalise the volunteer. When I helped with the Beavers last year, I found that to become more than a helper I had to attend Wednesday evening training courses and a half-day on a Saturday, and that became too much. I just wanted to help regularly, not to become a trained volunteer.

In the discussions that I have had with sports coach UK and the Scout Association, it is obvious that they have started to recognise that people are now only able to give a lower level of commitment. Some 65 per cent. of us now have an atypical working week, so the capacity to volunteer every Friday night, or every Saturday or Sunday morning, is not there for most people. Their work-life balance does not work that way. We need greater flexibility in how people are allowed to volunteer, so that they can become simply helpers.

The Olympics will provide fantastic opportunities for sports volunteering. My sense is that we had a good start. As people know, we need about 70,000 volunteers for 2012, and in the first three months more than 120,000 people registered on the site, so we have more than enough people willing to volunteer. I volunteered myself, and I have received an e-mail and one other communication since. It is a golden opportunity to involve those people who want to get involved, and we need to grasp the initial enthusiasm. I know that there have been discussions and some plans have been made, but we need to move forward and use the time that we have. We do not want to over-train people, but we need to take this fantastic opportunity. People should also be encouraged to volunteer locally.

Sport relies totally on its volunteers. I have mentioned the danger of over-professionalising in another context, and sport is now going through the same process. The Government's idea of introducing 3,000 community coaches is welcome, but it will professionalise things. We have to get the balance right and ensure that when the professional coaches come in, they do not squeeze out the keen amateurs who keep the clubs going in all our constituencies. I am grateful for this brief opportunity to highlight the sports volunteering agenda. The Minister has attended the meetings I chair for an organisation that is a strategic partnership of all the people involved in sports volunteering. We are a positive group of people who want to make things happen because that is the approach we take in sport. People just want to help—to get their teams and their individual athletes out. That is their sole motivation.

I hope that when we talk about the third sector, whether we are talking about mutuals or large charities, we remember that 26 per cent. of volunteers in this country regularly support local sports teams and sports clubs through their efforts. Whenever we think about that, I hope that we ensure that sport is not missing from the agenda.

4.40 pm

**Mr. Barry Sheerman** (Huddersfield) (Lab/Co-op): I am grateful for the chance to speak; I do not really deserve to because I have been on Committee duty elsewhere, and although I have popped into the debate during the afternoon, I have not been able to hear all the speeches, so I apologise for that.

I am a serial social entrepreneur, and it would be remiss of me if I did not make some contribution, but for all of us who are interested in social enterprise and the third sector, it is rather like the title of the Norman Mailer book "Advertisements for Myself". This is not an advertisement for myself, but I have started about 40 social enterprises, most of which are still going, ranging from the charity that the House of Commons doctor and I started, working in the barrios in Peru—INCA, the International Committee for Andean Aid—to my most recent one, which some of my colleagues will have been bored by, namely an education and environment enterprise in the home of John Clare, one of the most noted English poets of the countryside. I chair a small trust that has bought his house, and we are turning it into a national centre for many things, including education outside the classroom.

Social enterprise is one of my great passions. I wanted to make my views clear to the Minister for the Cabinet Office. He knows them well because he came to talk about the third sector in Huddersfield recently, and attracted a large audience. He outflanked the Queen in one respect. Her Majesty was going to open a new media centre in Huddersfield the next week, but evidently had a secret view, whatever that is, the week before. Social and private enterprise is important in every community and I want to speak about the barriers to it. One of the barriers that the Minister will know of, and of which everyone throughout the country will tell him, is core funding. Often there is a really good team, and people forget that social entrepreneurs are the same as private ones. One can take land, labour and capital and mix them up, but it is the entrepreneur who produces something that makes a difference and adds value. Social entrepreneurs add value that at least matches the value of what is done by private entrepreneurs. I am keen that we see ourselves as entrepreneurs with those challenges.

One of the problems for social entrepreneurs is that at an early stage no profit is made, so there is no margin allowing them to employ people. They often rely on charitable money, a foundation or local authority help to get started. Often it is the kick start, the seed money, that they need. That is similar to the experience for a private sector entrepreneur getting started; sometimes a relative lends money to a new enterprise that starts, for example, in someone's garage, and it grows from there.

There are some very good social enterprises. My hon. Friend the Member for Slough (Fiona Mactaggart) put her finger on it when she said that the secret of any enterprise is not to rely on one specific income stream. If people do, they may find that the income stream disappears at some stage. I will give the House an example. I have built an organisation called Urban Mines, which is a very successful environmental group. Our main income was from the landfill tax, but then the wicked Government changed the basis of landfill tax and prevented anyone from using it for

educational or research purposes. Of course, the main income for my group, which employed 18 people, suddenly dried up. The good news is that we could respond because we had built up such a talented team, which was able to go out, find different sources of income and address different markets. Urban Mines is now a leading innovator in technology and science and in understanding contaminated land and recycling and reuse. We survive and thrive as a national organisation that is based in Halifax in West Yorkshire.

Relying on one source of income, especially for core funding, can cause problems. Social enterprises can approach different funders, but they are fond of projects. For example, earlier today I met representatives of HSBC. So many people want to fund a project that one can sell it to them if one gets it right. It adds value to them, the enterprise and the purposes for which one is involved in it. However, they are not keen on core funding, yet that is often what makes the difference. If I were to ask the Minister for help on anything, it would be core funding.

Core funding comes in different ways and I believe that the Treasury could change the tax rules even further to help people who are willing to give to social enterprise—not only to charities but social enterprise more broadly. We should devise new ways of doing that. We have devised a project in my constituency and in the broader area of Kirklees. When I mention Kirklees, people tend to think that it is in Scotland, but it is one of the largest metropolitan authorities in England—in many senses, it is Greater Huddersfield. We have created a Huddersfield enterprise foundation and managed to get some seed money to start it. We ask anyone who has a business idea—in the private or the social sector—to go through what is termed on television a "Dragons' Den". We call ours a pussycats' den.

We sit with experienced business people from social and private enterprise and listen for 40 minutes to the pitch of the person who comes through the door. That is a wonderful innovation and we are trying to roll it out in as many towns and cities as possible. It provides a genuine opportunity for a large range of people of all ages, who have never been in business previously, to form a business, whether social or private. People who apply go before the panel and get about 40 minutes of helpful suggestions. If they get through that stage, one of the finest business plan writers in the country helps them to write a business plan. If they get through that, they go on a residential weekend in a rather nice hotel, where they work with all the other aspirant businesses. If they get through that, we can invest up to £5,000 in their business. It works and it transforms people's lives. Let me give one example.

A young man with a scientific background came to one of our first dragons' dens. He suffers from renal failure and was sick of having his life dominated by dialysis every four hours. He had invented a pack—a small backpack or laptop—that liberates him or anyone suffering from renal failure. It is called Renal Freedom. It means that he can go anywhere—down to London for a business trip or up a mountain—with the rechargeable pack that allows him and others suffering from renal failure to live a full life. That idea has been snapped up and has a wonderful future.

The best organised pitch that I witnessed was made by a young man who could play four instruments and wanted the whole world to be able to play a musical instrument. He was determined to make instruments available and cheap. He had a wonderful coloured catalogue. He had worked out that the cheapest violin one could buy in Britain was £60 but that he could import one from China for £30 and still make a profit. It was the most formidable presentation of the evening. The only slight surprise was that the young man was 15. He has now reached his 16th birthday and can become a company director. He is already flying as a young business person.

But that still only leads us on to our next stage. The next stage is to create our own foundation—I understand that we are not allowed to call it a bank under the banking laws, and the banks are quite sensitive at the moment. We need to reinvent things like the Yorkshire penny bank and the mutual concept. Like many others who have spoken today, I am a Labour and Co-operative Member of Parliament. Having a social bank in each of our communities is something that the Government should help us to stimulate. If we had the backing of certain elements of the financial community and we could give people the opportunity to invest in their own communities, they would see that that investment led directly to social and private enterprises that provide employment.

That is true for all of us who represent towns like mine. When I first became the candidate in Huddersfield, there were a large number of big manufacturers, which were the major employers. ICI employed 6,000 people in Huddersfield 25 years ago. Syngenta, the successor company on the same site, now employs 400. One can go across to David Brown Engineering, to Hopkinsons Engineering or to the manufacturing sector in most towns in this country and see the enormous pace of downsizing. What is the largest employer in my constituency now? It is the university of Huddersfield. Thank God it is there. Thank God for Harold Wilson's decision to give the technical college polytechnic status, which then became university status. It was voted new university of the year, with Patrick Stewart, the fine Shakespearean actor, as chancellor and a useful and exciting university campus, with 23,000 students.

I want to end on this point. If in all our towns and cities we had the combination of investment in higher and further education linked to what I call the new social investment banks, we could make a difference as never before. The one thing that I would like to have seen in the report and that I would like to come from the Minister is some seed money and some leadership in getting the partnership ready to roll out a new social banking system for every community in the country. We have already piloted the system. It works in two ways. People can invest in a social bank, but they do not receive any interest. We found that remarkably attractive. People who do not want to give away £50 will give £50 on the assurance that they can get it back within a month. The amount might be £500, £5,000 or larger—a charitable foundation or local company might even want to give some money to the bank. Perhaps the Government want to give us some seed money. The system means that we can have a social enterprise bank running that can do stuff early on.

*[Mr. Barry Sheerman]*

I end as I started, I hope on a campaigning note. I love social enterprise. I love the entrepreneurial challenge that it produces. More hon. Members should be social entrepreneurs, and anyone who wants to come to Huddersfield to see how we do it would be very welcome.

4.53 pm

**Greg Clark** (Tunbridge Wells) (Con): This has been a good debate. For the most part the honey, or treacle, of bi-partisanship has flowed through our proceedings—

**Norman Baker:** Multi-partisanship.

**Greg Clark:** Absolutely—multi-partisanship, not bi-partisanship. However, that is not surprising, because the Minister is a genial man, as we know. He has a sympathetic ear and a reassuring tongue, but we sometimes wonder whether his elbows are quite sharp enough in engaging in his job. It almost seems impolite to mention the performance of the office of the third sector, but I am not sure that it quite lives up to the billing and reputation that he enjoys personally.

The office of the third sector, which was a Conservative idea, was set up to be a strong voice and an advocate of the third sector right across government. Now that it exists, however, it is a meek organisation that is too often ignored. In June this year, the National Audit Office condemned the "baroque complexity" of the present funding arrangements for the public sector. The office of the third sector agreed that that description was a fair assessment of the regime over which it presides. If we look at the Compact—the key bulwark that exists to protect the sector and provide a Government guarantee of fair treatment—we see that it is in meltdown, as my right hon. Friend the Member for Horsham (Mr. Maude) said. The chief executive resigned in June, and the commissioner resigned in September.

The further one goes from the Minister's office, the more widely the Compact is ignored. One chief executive of a charity told me that a major public service commissioner had physically torn up the Compact in front of her to illustrate the degree of respect that he had for it. The Compact is toothless, spineless and, as we have heard, increasingly useless when it comes to protecting local charities on the ground. What is the Minister doing about that? The purpose of the office of the third sector is to be strong, to bully people and to bang heads together. It has some way to go before it achieves that. The hon. Member for Edinburgh, North and Leith (Mark Lazarowicz) complained about a three-year funding contract that was taken away after a single year. That is precisely the kind of situation that the office of the third sector was designed to act on.

Let us consider the components involved. Full cost recovery is not a new idea. It was a binding commitment in the 2002 Treasury review, on which I assume the Minister was an adviser before he came into the House. We were promised that all Government contracts would be let on the basis of full cost recovery by 2006. According to the Charity Commission, however, last year only 12 per cent. of charities reported achieving full cost recovery all the time, and 43 per cent. said that they never achieved it. Another key component is long-term contracts. The 2002 Treasury review again promised stable funding, but the Charity Commission says that two thirds of funding contracts are for one year or less.

The office of the third sector is punching below its weight in seeking to make a difference to the culture around the country. It has no clout with its neighbours. Community Service Volunteers was owed £3.7 million by the Department of Health for a contract. It complained to the Minister, but that had no effect; it had to go to the newspapers to make a difference.

My right hon. Friend the Member for Horsham also mentioned the Department for Work and Pensions' pathways to work programme. The office of the third sector exists to protect the interests of the voluntary sector, but only this year we have seen aborted contracting processes costing charities tens of thousands of pounds. Stephen Bubb, who is a self-confessed mate of the Minister, says that the voluntary sector has been "comprehensively stuffed". If even the Minister's mates are telling him that he is not standing up for them, what hope have we?

I was concerned that a number of Labour Members wanted the Minister to visit their constituencies—as if that would make a difference. I have been looking at the written evidence submitted to the Public Administration Committee's hearing on this matter, and I think that those Members should think twice before issuing such an invitation. The memorandum submitted by Women's Health in South Tyneside states:

> "We have entered into contracts through the LSC for the training aspects of our work and we are buckling with the bureaucratic demands this places upon us...I would like to add that this organisation which was visited recently by the Minister for the Third sector...has recently had 2 substantial funding streams removed at short notice."

So much for his attention to the interests of the sector!

We need to see a more robust performance from the office of the third sector. Warm words are not enough. One would think that the Minister, of all people, would have the ear of the former Chancellor of the Exchequer, now the Prime Minister, yet we know that £70 million was lost to the third sector at a stroke in the Budget, as my right hon. Friend the Member for Horsham pointed out earlier. There was no mention of it in the Budget statement or in any press release. The Budget was carefully constructed to protect all, or most, of the losers from the consequences, but the one group of people that got no protection at all was the third sector, which the office is supposed to represent.

The office of the third sector has influence without achievement, and we need to improve on that. We had the first Olympic raid, totalling £213 million, in June 2006. The second raid involved the loss of £675 million, £100 million of which was from the charities that the Minister has pledged to protect. The Minister says that grants are important, but as a proportion of the sector's funding, they have fallen from 52 per cent. to 38 per cent.

When it comes to campaigning, the Minister for the Cabinet Office is keen to align himself with the advisory group. I would like further clarification, but he seems to have engaged in something of a climbdown this afternoon.

**Edward Miliband** *indicated dissent.*

**Greg Clark:** It is made clear in the third sector review that

"the Government can see no objection—legal or other—to a charity pursuing"

its objectives

"wholly or mainly through political activities".

Earlier, however, in response to my right hon. Friend the Member for Horsham, the Minister said that exclusively political activities would not be allowed. Does that continue to be his position? If so, what is his position on the use of "wholly or mainly" political activities to promote a charity's interests? Is he still in favour of that? What has changed since the publication of the review in July to justify his backing away from the stated purpose to allow charities to pursue their purpose

"wholly or mainly through political activities"?

I will give way to him, if he likes, so that he can clarify the reason for the change of heart—*[Interruption.]* Perhaps the Parliamentary Secretary will save his blushes.

I do not know what has happened between then and now, but the Minister for the Cabinet Office has got himself into some difficulty. He should read his own fine print and he should reflect before associating himself too closely with his colleague, Baroness Kennedy. She bases her review on an assertion—no doubt true—that trust in charities

"far outstrips the confidence placed in political parties",

but the Minister's answer seems to be to make charities more like political parties. If we go down that road, we are likely to suffer a loss of confidence, which would be disastrous for all the good causes expressed here today.

**Norman Baker:** I seek clarification of what the hon. Gentleman thinks is going to happen here. What does he believe the Minister has agreed to, and what is the worst scenario that is likely to result from the position that he believes the Minister to hold?

**Greg Clark:** It is impossible to know what the Minister has agreed to; I would like to hear from him. It is clear in the review, as I have already pointed out, that the Government have no objection to charities being "wholly or mainly" engaged in political activities. Today, the Minister says that they cannot be "wholly" political, so I would like to know whether they can be "mainly" political. We would all like to know that. What we do know is that the Minister is putting pressure on the Charity Commission to change its definition. We would like to know more about that pressure.

As I said, the Minister is wrong to associate himself too closely with the review. Baroness Kennedy states that the consequence of not going in this direction is that

"charities will be pushed into a tiny area of traditional paternalistic or benevolent assistance".

What a patronising view that report takes of the contribution of the charity sector! Does the advisory group really dismiss anything beyond campaigning as being "tiny" in its impact or "paternalistic"—a term used pejoratively in that context? If that is the company that the right hon. Gentleman is keeping on this matter, we are right to be concerned about his intentions. He should think more carefully before entering into this territory. He trucks with charities at his peril. As the Baroness rightly said, they enjoy a high level of public trust, much greater than that of political parties, so the last thing that we politicians should do is to undermine the confidence of donors in the charities themselves.

Let me deal with some of today's speeches. We have heard some good and robust ones. The hon. Member for City of Chester (Christine Russell), in a cheery and upbeat speech, talked about the extent of voluntary activity in Cheshire. Such activity is typical in all our constituencies. It is constantly amazing how varied and diverse voluntary activity is. The hon. Lady mentioned that she will be in her local charity shop, supporting it to the best of her ability. I am sure that we will all find opportunities to volunteer on "make a difference day".

The hon. Member for Lewes (Norman Baker) is impressive in his reading material, as I see that he scrutinises *Whitehall & Westminster World*. His point about the independence of the sector is key. In a world where there is more contracting with the Government, which I think is a good thing, it is especially important for charities to benefit from buoyant sources of voluntary income. In terms of building capacity and independence, the best source is having a robust flow of funds so that organisations do not always have to kowtow to Government.

The hon. Member for Staffordshire, Moorlands (Charlotte Atkins) talked about the importance of core funding and the citizens advice bureaux. When I was a member of the Public Accounts Committee, we had a hearing with the permanent secretary of the Department for Work and Pensions on the complexity of benefit forms. He pointed out that the DWP now includes the CAB national telephone number on its forms, because they require some interpretation, but of course not a single penny is paid by way of contribution to the CAB for the extra work that that causes it. It is presumptuous to rely on organisations such as the CAB that provide such useful services without reflecting that in their funding.

My hon. Friend the Member for Broxbourne (Mr. Walker) told us about the exploits in the great north run of his nine-year-old son, whom we all congratulate. My hon. Friend also mentioned the amazing sum of £403,000 that that group of people raised, which illustrates the level of commitment that there was. That is a great success story.

My hon. Friend also talked about the importance of volunteering. It is crucial that we have sustained volunteering. Many voluntary organisations welcome one-off incidences of volunteering, but it is the people who are prepared to return week after week who are essential for maintaining services—especially young people, who can continue doing so for many years.

My hon. Friend talked about gift aid, too. I agree that we need to end the paper-chase that surrounds gift aid. It is ludicrous that in the 21st century people have physically to fill in paper forms merely to certify that they are taxpayers. There must be more efficient ways of doing that.

The hon. Members for West Bromwich, West (Mr. Bailey) and for Caernarfon (Hywel Williams) also made speeches. The hon. Member for West Bromwich, West talked about co-operatives. He is right that we

*[Greg Clark]*

should extend our discussions so that we talk about not only charities but co-operatives and social enterprises of all descriptions.

The hon. Member for Edinburgh, North and Leith also talked about gift aid, and I think that at the time one of the Ministers was nodding—I could not see properly because the Dispatch Box was in the way. That was a helpful sign that the representations made to the Government review of gift aid might be sympathetically received. The Institute of Fundraising and its coalition share our view that we should move to a paper-free way of allocating funds.

My hon. Friend the Member for Rochford and Southend, East (James Duddridge) made a fluent and passionate speech, largely without notes. He discussed the use of the term "third sector". I sometimes think that that is not the best term. The term "the third world" is now thought to be rather pejorative and patronising.

**Norman Baker:** There is also the third way.

**Greg Clark:** Indeed; we do not want to get into a discussion of that, but the third way has certainly lost its way.

We should talk about "civil society", rather than patronise the sector by using terms such as the "third sector". As the hon. Member for Loughborough (Mr. Reed) said, we should instead be talking of it as the first sector; often people have come together through voluntary initiatives before the commercial or public sector get involved. I hope that that point is merely a question of terminology, and that it does not indicate positions in the pecking order.

The hon. Member for South Swindon (Anne Snelgrove) gave a thumbnail sketch of the situation in Swindon. It showed how weak the Compact has been in practice. The Compact should protect charities from certain pressures; it makes it clear that they should not be constrained in their activities by unreasonable demands from funders. The Ministers with responsibility for the office of the third sector face the challenge of how to move beyond Whitehall and make a difference in our local authority areas.

The hon. Member for Slough (Fiona Mactaggart) touched on campaigning, which we have thoroughly aired, and finally, the hon. Member for Huddersfield (Mr. Sheerman) made a bravura contribution. Unaccountably, he has now disappeared. Having not been present for much of the debate, and then having entertained us with his account of the amazing number of social enterprises he has created, he has now left us with the impression of that speech but without the ability to congratulate him in person on it. He has obviously gone to create another social enterprise—for which I am sure that we are all relieved and delighted, as he will not now intervene on the wind-up speeches.

It was high time we had a debate on the third sector; it is many years since the last one. It is a bit of a shame that the debate took place on a Thursday afternoon when some Members had returned to their constituencies, but I hope it will not be so long before we have a chance to discuss this subject again.

5.10 pm

**The Parliamentary Secretary, Cabinet Office (Phil Hope):** We have had an excellent debate. Members in all parts of the House have made it clear that the third sector is alive and kicking, and all the better for it. All around the country, in every community, it is standing up for people, campaigning for change, creating stronger communities, transforming our public services and building many new social enterprises.

As we heard from all who spoke today, the third sector makes an enormous contribution to our society, to our economy—as we were reminded by my hon. Friend the Member for Loughborough (Mr. Reed)—and our environment. As one who has worked in the voluntary sector and run a social enterprise, and as one of many Labour and Co-operative Members who have spoken in the debate, I feel privileged to be the Minister responsible for the third sector. Ours is the only country to have such a post.

Last night I had the privilege of presenting the Social Enterprise of the Year award to Divine Chocolate, which makes and sells fair trade chocolate and supports thousands of cocoa farmers in Ghana. It was a great occasion to celebrate the achievements of a growing movement in the sector, which involves 55,000 social enterprises—including many community co-operatives—with a turnover of £27 billion.

I also had the privilege of presenting awards at the *Third Sector* and *Charity Times* gala evenings in September. Both occasions recognised the wonderful work of volunteers, voluntary organisations and community groups in every walk of life, up and down the country. Individual volunteers as well as organisations give their time—in some cases, their whole lives—to the service of others. As was pointed out by my right hon. Friend the Minister for the Cabinet Office, the third sector is the glue that binds us together: 35 million people who make regular donations of charity, 20 million volunteers, more than 600,000 paid staff and nearly half a million organisations driven by their values and passionate in their desire to meet people's needs, build stronger communities, give a voice to the voiceless and change society for the better.

The truth is that successful, thriving communities rely on a successful and thriving third sector. We have a strong economy, and our public services, performing better than ever before, are essential to a fair and prosperous society, but they are not enough. For social justice and a sustainable economy, and for every individual to be the best that he or she can be, we require the unique contribution of third sector organisations—reaching out to people whom Government often cannot reach, being flexible, responding to people as individuals with diverse needs, developing new ways of tackling the hard issues that still confront many communities, and driving and energising the campaigns that change our society for the better.

Our vision is simple. It is the vision of a thriving third sector, robust in its independence, growing in size, flourishing in confidence, and becoming stronger in new partnerships with local and central Government. It is that vision that is spelt out in our third sector review, which was published in July this year after the largest consultation ever conducted with the sector. Our vision is of Government action that recognises the needs of the diversity of organisations in the sector and the different roles that

they play in society. It is the vision of a new and genuine partnership between Government and the sector—not a one-sided partnership to control the sector or a neglectful partnership that leaves it to sink or swim alone, but a partnership that is about working together to improve people's lives and creating an environment that enables the sector to thrive: a relationship that celebrates the independence of the sector and its right to campaign, and that works with it to achieve common goals.

As I have said, this has been a very good debate. The hon. Member for Tunbridge Wells (Greg Clark) referred to the contribution of my hon. Friend the Member for City of Chester (Christine Russell). We heard not only an eloquent description of her personal history of involvement in the third sector, but a moving account of the work of voluntary organisations in the supporting people programme, and the way in which residents were empowered and skilled in her community. Both she and my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz) spoke of the role played by credit unions—small co-operatives working in local communities and reaching out to people in times of crisis.

My hon. Friend the Member for Staffordshire, Moorlands (Charlotte Atkins) gave a very good description of what often happens in voluntary organisations: a user of a service—her example was Sure Start—becomes a volunteer in that service and may go on to become a part-time employee, making a transition that would not otherwise be possible.

Other hon. Members, such as the hon. Member for Rochford and Southend, East (James Duddridge), mentioned the importance of umbrella bodies and local infrastructure organisations. They provide vital training, support and advice to small voluntary community groups on the front line, and that is why the Capacitybuilders fund included in the review is so important.

The hon. Member for Broxbourne (Mr. Walker) was one of many hon. Members to talk about the importance of volunteering, and I quite agree that it is a critically important part of our civil society. I am especially enthusiastic about young people undertaking volunteering, a subject about which my hon. Friend the Member for West Bromwich, West (Mr. Bailey) spoke. Last year, the youth volunteering charity v was launched with Government funding, and it has already created more than 200,000 volunteering opportunities for young people all over England. This year, we will launch a new national youth volunteering programme to guarantee provision for youth volunteering across the whole of England.

My hon. Friend the Member for Loughborough reminded the House of the importance of the role that volunteers play in the world of sport, as they do in many other spheres. All hon. Members will be aware that, this winter, many children and young people in our constituencies will be out playing football, rugby or whatever sport it is that they want to participate in, but the referees, touch judges, coaches and people who wash the kit are the unsung heroes of our communities. My hon. Friend is one of them, and they are the people who make it possible for so many youngsters to take part in sporting activities.

I was dismayed to hear my hon. Friend the Member for South Swindon (Anne Snelgrove) describe how voluntary youth organisations in her constituency were being cut by the local authority. The opposite has happened in my county: statutory youth organisations have been cut and voluntary youth organisations have been asked to pick up the pieces and deliver the same service on the cheap. That is not an acceptable way forward for voluntary organisations at a local level.

My hon. Friend also reminded us of the contribution made by local companies in her constituency, and I am sure that the same is true across the country. She made a point of mentioning payroll giving, which we should do more to enhance. Interestingly, some 370,000 employees donated £27 million through payroll giving in 1997-98, and those totals had risen to 605,000 and £85 million in 2005-06. That shows that more people are donating through the payroll giving scheme, but we could do better in that regard.

My hon. Friend the Member for Edinburgh, North and Leith also mentioned employee volunteering, and I agree that we could do more in that important area. My right hon. Friend the Prime Minister has charged Baroness Neuberger with the task of looking at how public sector employees might improve the quantity and quality of volunteering in their organisations.

I turn now to deal briefly with some of the points raised by the right hon. Member for Horsham (Mr. Maude). He mentioned the role played by the Department for Work and Pensions pathways to work procurement, but I need to put him right on a couple of facts. In phase 1, two out of 15 contracts for prime contractors were awarded to third sector organisations, accounting for some £40 million, or 17 per cent. of the total budget. However, the subcontracting story for the other organisations is also very positive, with 164 of the 374 subcontractors coming from the third sector.

That shows that the accusations made by the right hon. Member for Horsham and the hon. Member for Tunbridge Wells (Greg Clark) that the third sector was not playing its part in delivering the contracts were entirely wrong. Indeed, we have asked Mavis McDonald, a former Cabinet Office permanent secretary, to conduct a review, and we are working to ensure that we learn all the lessons from the past when we go through the commissioning processes. However, I am confident that we are going in the right direction.

The right hon. Member for Horsham also mentioned the National Offender Management Service. NOMS has allocated some £600,000 a year from next year, over three years, to provide strategic funding for national third sector infrastructure organisations to advise and support a diverse range of voluntary and community organisations that are working with offenders. The criteria and planning of the programme will be developed with third sector organisations, which seems to be a positive development.

We touched a lot on encouraging social enterprises. The hon. Member for Lewes (Norman Baker) and my hon. Friend the Member for Loughborough mentioned the importance of social enterprises in the work of regional development agencies. I confirm that I met the RDA chairs yesterday and discussed how they were spending some £6 million of both office of the third sector resources and their resources to ensure that social enterprises feature large in their work through Business Link and to promote social enterprise in their regions and the new integrated regional structures that they are developing.

*[Phil Hope]*

My hon. Friend the Member for West Bromwich, West described very well the role and history of the Co-op movement, as one part of social enterprise, on meeting needs and campaigning for change over 200 years. The hon. Member for Caernarfon (Hywel Williams), who is not in the Chamber, described two social enterprises in his constituency that make a real difference to people's lives.

Many people talked about funding and supporting the environment for a healthy third sector. Let me say a few words about gift aid reform. In 2000, the Government made several improvements to the gift aid scheme. The value of gift aid for charities has increased from £135 million in 1996-97 to more than £860 million in 2006-07. I am pleased that there has been a remarkable success story under this Government. In this year's Budget, the Government announced that they would consult the charitable sector on measures to increase the take-up of gift aid. Contributors to the consultation, including hon. Members who are in the Chamber, have highlighted concerns about the system and areas in which they would like improvements. We expect to publish a summary of responses later this autumn. We would expect to discuss any proposals arising from the consultation with the sector ahead of next year's Budget.

Several hon. Members raised concerns about the Compact. I can tell the right hon. Member for Horsham that the commissioner left his post as chair of the commission for personal reasons, because of the time required for the post. However, I am pleased that we have succeeded in appointing an interim commissioner pending public competition: Helen Baker, who is a non-executive director of the commission. I affirm that there is still a strong case for an independent organisation or entity to take operational responsibility for the Compact so that there can be an impartial voice for its successful implementation. We remain fully committed to the Compact. The review announced a continued focus on the Compact as a means to build the relationship with the third sector at all levels of government. We will provide new investment for the commission for the Compact over the comprehensive spending review years, which will be set out later this year.

My hon. Friend the Member for South Swindon mentioned Compact week, which will be at the beginning of November. I hope that that will be another opportunity for central and local government organisations to affirm their commitment to implementing the Compact proposals. There will be an annual review of the Compact in December when Ministers from all Departments will meet the third sector to discuss further progress.

We heard about the importance of the stability of funding and full cost recovery. The hon. Member for Tunbridge Wells was a little negative about that—it is true to say that he was negative about everything. The proportion of Government funding reported as including full cost recovery has risen from 49 per cent. to 57 per cent. The Compact's annual survey shows that the amount of funding based on full cost recovery increased from 25 per cent. in 2002 to 42 per cent. in 2005. Of course, there is more work to be done, but we are demonstrating that we are taking forward work to embed a culture change across Government in the way in which we work with the third sector, including through programmes such as those to train commissioners.

On the three-year funding, I remind the House that as Minister with responsibility for the third sector I will report annually on progress across Government to the Chancellor and the Chief Secretary to the Treasury, who will write shortly to Departments to remind them of the Government commitment that submissions would be made to us by the end of the year on how three-year funding is being implemented, and how it is being cascaded to other agencies.

The hon. Member for Rochford and Southend, East asked a question about the charitable status of independent schools. The Charities Act 2006 makes clear the principle that charities must be "for the public benefit". Independent schools are just one group of charities in whose case the presumption of public benefit is being removed. In any decision on whether charities, including independent schools, are "for the public benefit" and so qualify for charitable status, the key is access. To pass the public benefit test, an organisation has to be accessible to a sufficiently large section of the population. I look forward to the Charity Commission—the independent regulator—producing its final public benefit guidance later this year. Finally, let me turn to campaigning.

**Norman Baker:** Before the Minister turns to campaigning, which I want to hear about, can I point out that a number of Members, including me, raised the issue of core funding, which, with respect, he has not yet addressed?

**Phil Hope:** I was aware that time was not on my side, but I will address the issue that the hon. Gentleman raises. There are important points to make on the subject. First, through Capacitybuilders, we have established important core funding for infrastructure organisations, which are not front-line organisations but those that serve the front line. We expect local authorities to use capacity building funding to ensure that infrastructure bodies can provide the core funding that is needed to deliver the training, advice and information that front-line organisations need. That is an important part of the next phase of the funding programme.

I would also say to the hon. Gentleman and to organisations that are interested in the debate that organisations that deliver a service should not distinguish between their service to the public and the administrators who back it up; those administrators are key to front-line service. The money is not project funding, but core funding. When people think about making an application and drawing up a service level agreement, they should ensure that it includes an understanding of the fact that the core is front-line service delivery. If that is discussed, and if the application is made in that way, many of the issues can be resolved.

Also on that point, and on ensuring that local councils promote and fund voluntary organisations in the way that I have described, I should mention the public service agreement targets that were announced recently. In the local government performance framework, one key indicator for local councils relates to their responsibility

to promote a thriving third sector. It is those kinds of levers that will enable local voluntary organisations to ensure that their local authority, unlike some examples mentioned in the debate, fulfils its obligation to fund the third sector. Let me turn to campaigning.

**Mr. Sheerman:** Before the Minister moves on, my hon. Friend the Member for Slough (Fiona Mactaggart) asked a couple of specific questions about community funding networks. If the Minister has time, will he come back to the matters that she raised?

**Phil Hope:** It is kind of hon. Members to pick up on the points made that I have not managed to cover. On the subject of community champions, my hon. Friend the Member for Slough (Fiona Mactaggart) made a fair point. I will discuss her concerns with my ministerial colleagues, so that we can think about how the matter can be taken forward. In a debate of this kind, I cannot guarantee any outcomes, but I can tell her that the points that she made were heard loud and clear by Members on the Front Bench. We will do our best to respond positively, where we can.

**Fiona Mactaggart:** I thank the Minister for that, but I made one other point on a matter in which he does have some power: I wanted to try to accelerate the funding process for the Community Foundation Network.

**Phil Hope:** As we speak, we are working hard on the model for distributing community endowment funds, so that we can get the money down to the local level, and so that grants can be distributed from April onwards. We are also working hard on the £80 million community grant scheme: We want to find the appropriate mechanisms for delivering those two funding streams. We want to make sure that those funds are delivered by local organisations that understand the locality, so that the revenue stream that comes from endowment funds and locally delivered community grants directly deliver what local organisations most require. I hear loud and clear the request that we get on with that so that there is no gap and the money can flow from 1 April. I assure my hon. Friend that I will do my best to ensure that that is the case.

On campaigning, I declare a small interest. For example, I attended the Lymphoma Association 21 years celebratory reception in the House this week. The association campaigns for improvements to the treatment of Hodgkin's disease, for which I have just been treated. I think my attendance at the reception was absolutely right, because I would not have benefited from the health service delivering a better cancer treatment service if that organisation had not been in the forefront of running campaigns for transforming our public services.

We should not be ashamed of campaigning. As we heard eloquently from Members in all parts of the House, it is the way that charities can speak up for those who do not have a voice and who feel overlooked. I agree with my hon. Friend the Member for Slough that it is a strange irony that the Opposition say that they want independence for the sector, but when it comes to a voice in campaigning, they do not seem to be quite so keen.

We stated in the review document that we do not want to change the law, but we do want to provide reassurance to charities that they can campaign and speak out without looking over their shoulders, as many feel they must at the moment. It is for the Charity Commission to talk to the sector, as it is doing, about the details of those matters and to prepare its revised guidance. It is already clear from the Charity Commission briefing and the question and answer documents that it issued in April that it recognises, rightly, the issues being raised. It recognises the uncertainty in the current guidance. The questions and answers are helpful and will form a good base for the revised guidance.

Specifically on the question of dominance, the key point is that any activities must be in pursuit of the charitable purpose for which the organisation was set up. Decisions on what is justified will be a matter for the Charity Commission, but it is already clear that the commission thinks that there are cases where it is acceptable for campaigning activity to be temporarily dominant so long as it is in pursuit of charitable purposes. As the commission says,

"it may be that the trustees of a charity have exercised their discretion properly, looked at the range of means open to them, and have decided that for the time being the charity's purposes are most effectively pursued through political activity."

Every charity in the country will have heard the attitude of the Conservative Front-Bench team to the right of charities to speak up. It sounds like a desire not so much to make poverty history, as to make campaigning history.

**Greg Clark:** We all know that charities are temporarily able to have a dominant campaigning purpose, but should it be permanent?

**Phil Hope:** Those on the Conservative Front Bench are shifting position as they speak. They are embarrassed by their position on campaigning and by the Leader of the Opposition, who chose this week to try to make the third sector a political football by describing us—the Government—as undermining the third sector, which is palpably nonsense. Government support for third sector organisations should not be about abandoning them in the guise of setting them free, abusing them by cutting public services and getting charities to do the work on the cheap, or patronising them by emphasising the importance of independence but complaining when they campaign. We want to create an environment in which the third sector flourishes, is independent and develops new partnerships. That is a 21st century approach to a thriving third sector.

**Mr. Tom Watson** (West Bromwich, East) (Lab): I beg to ask leave to withdraw the motion.

*Motion, by leave, withdrawn.*

## Transport in Pudsey

*Motion made, and Question proposed,* That this House do now adjourn.—*[Mr. Watson.]*

5.33 pm

**Mr. Paul Truswell** (Pudsey) (Lab): Sitting through the debate this afternoon felt a little like being a passenger sitting on a train outside Leeds City station waiting for a platform to become vacant. I promise the House and my right hon. Friend the Minister that I will not expand into the time available by applying the parliamentary equivalent of Parkinson's law.

There is an old adage that states that when Pudsey is strong, Yorkshire is strong, and when Yorkshire is strong, England is strong. It refers to cricket, but it is a good axiom for transport, as I shall try to demonstrate in this whistle-stop tour of transport issues in Pudsey constituency.

As the vast majority of passenger transport journeys in my constituency are made by bus, I shall begin by discussing bus services. Some hon. Members, including me, have banged our heads against a brick wall for many years in arguing for bus operators and services to be made more accountable and responsive to the communities that they serve, rather than to the profit motive on which they normally operate. For years, Ministers dutifully dead-batted our demands. At the 2005 Labour party conference, however, the Secretary of State for International Development, who was then the Secretary of State for Transport, made the announcement that gave us real hope for change. That was followed by the publication of "Putting Passengers First" and of the draft Local Transport Bill.

Deregulation has been a disaster for many communities the length and breadth of this country, which is certainly the case for several communities in my constituency. The Conservative attitude to bus services was typified by Margaret Thatcher's view that any man who depended on buses by the age of 26 should regard himself as a failure. That characterised Tory policy then and it characterises Tory policy now. It is high time for this Government to break away from that legacy.

Since deregulation in 1985, quality and standards have undoubtedly fallen across bus services in Pudsey and West Yorkshire. Fares have increased by more than 50 per cent. in real terms, and the number of passengers in West Yorkshire has fallen by almost 40 per cent., which equates to 100 million passenger journeys. Under deregulation, bus companies can pick and choose what services they provide. Services are chopped, changed, missing or late, and passengers feel powerless. Bus operators continue to make profits, even when they are providing a poor service.

Links to facilities such as health centres, post offices, shopping centres, schools, colleges and recreational facilities are often inadequate or non-existent, because the operator has no interest in meeting that public need and is only interested in making a profit. Passengers turn to their MPs, councillors or the passenger transport executive, which is Metro in West Yorkshire, only to discover our individual and collective impotence. That is why we need greater powers locally to give communities a better deal.

In areas such as mine, deregulation has been a failure, even on its own terms. There is no real competition, no passenger choice and no way of discerning value for money for the taxpayer, where services are put out to tender by the PTE. PTEs, such as Metro in West Yorkshire, currently subsidise about 13 per cent. of services. It is impossible to gauge whether the taxpayer is getting value for money in a monopoly situation in which only one company tenders for each contract. My area, like many others, has been subject to a plethora of service changes, which has led to a concentration of resources on profitable routes and a move away from unprofitable but socially desirable services. Communities such as Hough Side in Pudsey and Fairfield estate in Farsley have been cut out of the service network without notice, leaving many residents, especially older people, stranded. Links to important shopping centres such as Pudsey and the Owlcotes centre have been reduced or cut altogether.

In the not-too-distant past, disruptive changes were made to services such as the Nos. 97, 647 and 651 in the Guiseley and Yeadon areas in my constituency. There are no public transport links from my constituency to the recently rebuilt Wharfedale hospital in Otley, which provides my constituents with key services, or to the nearby treatment centre at Eccleshill in Bradford. That causes real hardship to my constituents who do not have ready access to alternative forms of transport.

Services have effectively been slimmed down to a profitable core. Routes such as the cross-city No. 4 between Pudsey and Whinmoor are often quoted as a success of the deregulated system. An ftr bus has been introduced through a partnership between First Bus, which is the operator, Metro, which is the PTE, and Leeds city council. Investment in the service, which is welcome, includes bus priorities, stop and shelter upgrades, real-time information displays and traffic light priorities for buses. All that is excellent as far as it goes, but such showcase routes cannot hide the decline of services such as those that I have mentioned.

Within the overall picture of decline, there was—as my right hon. Friend the Minister may mention—a small overall growth in bus patronage in West Yorkshire in 2006-07. However, that was due entirely to the very welcome introduction of free concessionary travel; unfortunately, adult and child concession journeys declined, and I think that there is a connection between the two.

Declining bus services affect everyone, regular bus users or not. The deterioration of services encourages increased car use, and that creates even more congestion and pollution, as well as road safety hazards such as speeding and rat-running. On carbon emissions, we know from research carried out by the Tyndall Centre for Climate Change Research that, per passenger mile, coach and bus travel produces only 30 per cent. of the carbon dioxide created by petrol-fuelled cars and only 40 per cent. of that created by diesels. The plea is that the new draft Local Transport Bill must not become another false dawn, such as when quality contracts were introduced under the Transport Act 2000.

Those who, like me, have been campaigning on such issues for many years welcome the replacement of the "only practicable way" test. However, concerns are already being expressed about the proposed new process. We do not want an insuperable legal high jump—the situation

at the moment—to be replaced by an interminable bureaucratic marathon, nor do we want a period of instability and uncertainty to be created by unnecessary tinkering with structures such as the PTEs. I am pleased that that issue is not being pursued as was originally feared in places such as West Yorkshire.

There is a clear difference of opinion between the Passenger Transport Executive Group, or pteg, of which I am an active member—I declare that interest, although I do not think I need to—and Ministers about the time scale for introducing a quality contract. Passenger transport authorities and PTEs may have to negotiate with civil servants, especially as part of the quality contract process involves Government funding. There may then be intervention by the traffic commissioners and an appeal to the transport tribunal—and almost inevitably, given that bus operators will fight quality contracts to the last ditch, a judicial review.

We believe that the local transport authority, such as Metro in my area—not the unaccountable traffic commissioners and transport tribunals—should determine whether a quality contract goes ahead. If the Government insist on a role for traffic commissioners, that should be to ensure that the PTEs have carried out the process properly, rather than to determine the merits of the case.

Stronger arrangements to protect passengers and staff also need to be put in place to cover the transitional period between an incumbent operator losing a franchise competition and a new franchise beginning. Obviously, that includes issues such as the Transfer of Undertakings (Protection of Employment) Regulations 1981 for bus staff and the traffic commissioners having the powers to prevent the incumbent operator from withdrawing from the market in a way that causes undue disruption for passengers and further costs for the PTE.

Rail has a major role to play in my constituency, which is served by three stations and three lines. West Yorkshire, and my constituency in particular, were badly affected by the disastrous way in which railways were privatised. The first act of the original franchisee in our area, MTL, was to shed 70 or 80 drivers. The result, of course, was the chaos of constantly cancelled services.

However, to be fair, rail services across the Leeds city region have been a major success story in recent years. Rail use in West Yorkshire has increased by 54 per cent. in the past 10 years and peak patronage into Leeds has doubled over that period. Between 7.30 am and 9 am, more than 90 per cent. of trains have standing passengers; unfortunately, some trains carry up to 200 per cent. of seated capacity. Given the success of the rail service in West Yorkshire, we have to cope with that sort of "sardine" syndrome; that is why I want to raise the importance of increasing capacity in our local network sooner rather than later. The pressures that I described have been reflected acutely in some of the routes across my constituency.

The significant role of rail is demonstrated by the fact that since 2000 its modal share of peak traffic into Leeds has increased to 15 per cent., while bus modal share has declined slightly to 24.4 per cent. Interestingly, car mode share has declined to 56 per cent., largely as a result of increased rail use. On the question of carbon emissions, we know from research by the Tyndall Centre for Climate Change Research that per passenger mile rail travel produces only 40 per cent. as much $CO_2$ as petrol-fuelled cars and only 50 per cent. as much as cars fuelled by diesel.

Under this Government, there have been numerous examples of tangible improvements in my constituency in terms of rail services. As I said, my constituency is served by three stations: Horsforth on the Harrogate line, New Pudsey on the Caldervale line, and Guiseley on the Airedale and Wharfedale line. All three stations have undergone refurbishment and renewal, though capacity issues and parking problems remain associated with each of them. The efficiency of Leeds City station has been increased with a £250 million investment to reduce congestion and delays. I have to say, as a regular rail user myself, that we used to spend about a third of the journey waiting outside the station for a platform to become vacant. That has now more or less disappeared as a passenger experience.

In terms of rolling stock, we have seen the introduction of the excellent new 333 class rolling stock on the Airedale and Wharfedale line, half of which were funded by a rail passenger partnership grant that I fondly remember lobbying Ministers about. Those excellent vehicles replaced 40-year-old slam-door cast-offs from the south-eastern commuter belt. I remember some years ago a guard showing me into his little office in the rear of one of those trains and pointing out a sign saying, "In the event of emergency the nearest accident and emergency unit is Romford General", which is more than 200 miles away from any of the stations that the carriages then served. I am delighted by the success of our recent negotiations with the Department for Transport, which enabled these carriages, originally funded on a short-term basis by the RPP grant, to be retained. I thank the Minister and her Department for that assistance.

Last year, Metro, West Yorkshire's passenger transport executive, worked with Yorkshire Forward and Northern Rail, the operators, on a £20 million partnership to add 12 carriages to the local train network. That included extra capacity on two of the lines through my constituency—the Caldervale and Harrogate lines. That was most welcome. However, one problem is that we are constantly running just to stand still in terms of meeting the huge demand in Leeds for extended capacity in our local rail services.

Pressure has rightly been put on local developers, particularly of major developments, to make a contribution towards the rail infrastructure. For example, the developer of the former Kirkstall Forge site, which is just outside my constituency but will have a major impact on it, is to make a £4 million contribution towards the delivery of a new rail station on that site and towards additional rail capacity. Part of the package should also help to fund the opening of a further station at Apperley Bridge, which is, again, just on the perimeter of my constituency but will be used by my constituents if and when it materialises. Metro is also in discussions with Leeds city council and developers about a proposed development at Horsforth Woodside—another major development where a public transport injection from the developer is essential if it is to be regarded as remotely sustainable.

Some parts of my constituency have seen substantial additional house building on brownfield sites. We have frequent arguments about the sustainability and density

*[Mr. Paul Truswell]*

of such developments. Planners seem to base their interpretation of planning guidance, such as the former planning policy guidance note 3 on housing, on the idea that the simple existence of a railway station gives the capacity to deal with the larger number of residents generated by a major housing development. I have tried to make it clear that that could not be further from the truth.

It is often impractical to build new stations or enhance park and ride, even where we know that huge demand exists and there would be tremendous take-up, simply because there is insufficient capacity on the network to carry the additional passenger numbers that would be generated. That clearly nonsensical paradox must be addressed if we are to get people out of their cars, and that is why increased capacity is absolutely crucial in my area and many others. The rail White Paper's proposal to deploy 1,300 extra carriages nationally and its recognition that a proportion of those should be used to address overcrowding in places such as Leeds is therefore extremely welcome.

Metro has calculated that 100 carriages are required to address the current levels of overcrowding and the future predicted growth in the Leeds city region. That need is endorsed by the DFT's own statements in the regional planning assessment for Yorkshire and Humberside. The DFT growth forecasts for West Yorkshire by 2016 range from 22 to 55 per cent. and the DFT has acknowledged that the growth is likely to be at the higher end.

I urge my right hon. Friend the Minister to ensure that the maximum number of carriages possible are deployed in my area, in Leeds and in West Yorkshire at the earliest opportunity. It is also important that the cost of providing this new rolling stock does not fall disproportionately on passenger fares, resulting in hikes. People have a fear about that. We ideally need new rolling stock that is more suitable than the old Sprinters and Pacers operating on the Harrogate and Caldervale lines, although the pragmatists among us accept that in the short term cascaded stock might be appropriate to bring quick improvements, provided there is a plan to replace them in due course with more up-to-date rolling stock. It is also crucial that the more ambitious proposals in the Leeds city region transport vision, such as the introduction of tram-train on the Harrogate and Leeds-Bradford airport lines and further electrification, are kept on the agenda.

Briefly, on the airport, the five West Yorkshire councils that owned it recently sold it off. They said that that was done to give it access to private capital to promote its growth. Paradoxically, to say the least, that came out of the mouths of some people who had condemned the predictions for its growth when the White Paper on air travel was published. Regrettably, none of the £150 million proceeds of this sale are to be invested in addressing the present and future impact of the airport's operation on local communities. The money could have been used to make a contribution to creating some of the passenger transport links, especially the rail ones, to which I referred a few moments ago.

In the light of what I have said, it will come as no surprise to the Minister that I wish to make a plea, as one always does on such occasions, for the funding of Yorkshire and Humberside, and therefore of west Yorkshire, Leeds and Pudsey—not necessarily in that order—to be addressed. I am sure that as a Yorkshire MP, she will be only too familiar with the arguments that are waged between us as politicians, and with local authorities, with organisations such as Yorkshire Forward and, last but not least, with the media.

In the past 20 years, Leeds has created more jobs than any other major city apart from London. Between 1981 and 2002, it added 86,000 new jobs to its work force and it is expected to provide approximately 46 per cent. of the region's additional 60,000 jobs between 2004 and 2014. Although jobs have been created in Leeds, they are being taken up by the increasing number of people living outside the Leeds city boundary. Between 1991 and 2001, the number of people commuting to Leeds increased by 38 per cent. Many of those people travel though my constituency. It is clear that unless we obtain more investment in public transport, the combination of traffic congestion and a public transport network that cannot cope with the number of passengers using it will begin to choke our communities and strangle economic growth in cities such as Leeds and other parts of the West Yorkshire PTE area.

One of the most significant concerns is the fact that spending per head on transport in Yorkshire and Humber, despite welcome and substantial increases under this Government, still compares unfavourably with the rest of the country. In Yorkshire and Humber, spending on transport in 2001 was £117 per head. In 2006-07, the Government spent £215 per person in Yorkshire and Humberside, which although it was a significant increase was much lower than the England average of £305 per capita. In 2007-08, West Yorkshire received the second lowest per capita local transport plan allocation of the six passenger transport authority areas.

The regional transport board has advised the Government that for the period up to 2015-16 the Leeds city region should receive £140 million, which represents less than 20 per cent. of the overall funding for Yorkshire and Humberside. I appreciate that that has since increased, with the allocation of £150 million for the trolley bus scheme to replace the supertram, but the overall amount is still substantially lower than the 60 per cent. share that would reflect the Leeds city region's population or contribution to employment and gross value added in the region.

A higher transport spend per head would allow West Yorkshire Metro, for example, to provide the Leeds city region with a model for an efficient public transport network that would underpin the sustainable development of the city region's economy. Sustained and significant investment will build on the excellent, but often isolated and limited, examples of successful good practice, some of which I have mentioned as resulting from Government funding and policy. Investment in roads would allow the upgrading and improvement of the Leeds and Bradford ring road, part of which runs through my constituency, and allow other key routes between towns and cities to remove some obvious bottlenecks and pressure points.

All that I have said so far boils down to three key messages. The first is that we require real and practical local powers to deliver bus services that meet the needs of passengers. Secondly, we need significant increases in rail capacity to address overcrowding and predicted

growth in demand. Last, but not least, we need a much fairer funding deal for the region, from which my constituency and my city would undoubtedly benefit. I hope that my right hon. Friend can satisfy me to some substantive degree on each of those points.

5.58 pm

**The Minister of State, Department for Transport (Ms Rosie Winterton):** I congratulate my hon. Friend the Member for Pudsey (Mr. Truswell) on securing this debate, in which he has once again demonstrated how strongly he feels about the issue of transport. I know that he has had three debates in the last few years on related issues. He also introduced a private Member's Bill on the issue of quality contracts. He set out clearly how all sections of his constituency are affected by transport.

I wish to reassure my hon. Friend that the Government certainly recognise how vital transport is to the well-being of communities. The comprehensive spending review announced by the Chancellor confirmed the Government's commitment to a sustainable and integrated transport system that enhances our quality of life and supports our continued economic success. Transport spending will have doubled in real terms over the 20 years to 2018-19, and the comprehensive spending review will deliver a 2.25 per cent. real annual increase in my Department's budget, which we should all welcome.

I want to address the issue of funding for the Yorkshire and Humber region. We need to be clear about this. Department spending on road and rail in the Yorkshire and Humber region has increased by 77 per cent. over the six years leading up to 2007-08; it has increased from £330 million in 2001-02 to £590 million in 2007-08.

*It being Six o'clock, the motion for the Adjournment of the House lapsed, without Question put.*

*Motion made, and Question proposed,* That this House do now adjourn.—*[Claire Ward.]*

**Ms Winterton:** Secondly, local transport funding for Yorkshire and Humber has more than doubled in the last seven years, from £75 million in 2000-01 to £156 million in 2007-08. Thirdly, in July 2006, we announced plans to fund 31 major road and public transport schemes in Yorkshire and the Humber from the £927 million provisionally allocated over the next 10 years in response to regional advice about priorities in the region.

It is also true that a wide range of factors are taken into account when determining how funding is to be distributed, including the needs of different areas and where investment might have recently been made. It is difficult to make a direct comparison between expenditure in each region. The needs of different areas can depend, for example, on issues such as the length of the strategic road network there, or the amount of support that train operating companies in the region require. It is also important that we in the north recognise that expenditure on national infrastructure, such as motorways and strategic networks that feed into the region, can benefit us as well, even if they are in another region.

My hon. Friend spoke of the Leeds city region development plan vision for transport, which aims to ensure that transport serves the people in the city region, connects people to jobs, education, training, retail and leisure facilities, and connects the city region to others in the UK. The transport vision is a £4.5 billion programme of improvements over 25 years. The city region partners are involved in further work and, I am glad to say, my officials have regular meetings with them to help them to establish deliverable short, medium and long-term priorities. Of course, it is for the city region partners to identify suitable funding in order to deliver their vision, but we are giving central support to work with them.

I was pleased to see that my hon. Friend mentioned a number of improvements to transport in his constituency. It is true that changes are happening on the buses. Bus patronage in West Yorkshire has been broadly static over the last five years at around 200 million trips per year, but Metro has set an ambitious growth target for 2010-11 of 210 million trips per year. I know that Metro's partnership investment in free city bus services for Leeds and Wakefield has been extremely popular and well received. Design work is nearing completion on a significant quality bus corridor on the A65 Kirkstall road in Leeds. A new bus lane and associated bus priority measures will help to cut bus journey times by up to 6 minutes, and will also address congestion on one of the busiest radial routes into Leeds.

Planning work is well advanced on a new £3 million town centre bus station in Pudsey. That will add another high quality facility to the growing number of modern, award-winning West Yorkshire bus stations. I am told that the new building is eye-catching. That, together with improvements to traffic flow on Church lane, will enhance Pudsey town centre, and provide passengers with an improved, comfortable and enclosed waiting environment with 24-hour, monitored CCTV coverage and real-time departure information. All that genuinely contributes to people getting on buses. Comfort, safety, security and information matter.

My hon. Friend mentioned the ftr bus, which is an example of the new public transport concept of bus rapid transit. That was introduced in partnership with FirstGroup, and involves futuristic ftr buses and improvements to the highway. Route 4, between Pudsey and Whinmoor via the city square, was one of the first to benefit from that new technology. The Department is working with Leeds and Metro to develop a wider high-quality bus rapid transit scheme for the city, involving complementary measures such as park and ride.

My hon. Friend mentioned the draft Local Transport Bill. Although the historic decline in bus patronage is levelling off, more needs to be done. Government investment in bus services has increased to £2.5 billion per year compared with £1 billion a decade ago, but more remains to be done. Bus services work best where there are good relations between bus operators and local authorities, and each is prepared to invest—the local authority in better infrastructure and the operators in better vehicles. If we can be confident that each side is playing its part, that can make a difference.

The draft Bill provides more opportunities for quality partnerships, allowing them to specify minimum frequencies and maximum fares, which my hon. Friend mentioned. The operators would have to

*[Ms Rosie Winterton]*

be willing partners in all that, but we are strengthening the local authorities' negotiating hand. The draft Bill also includes provisions to tackle problems of poor punctuality. Again, the local authorities and the operators need to act in harmony on that. Such matters really matter to passengers, and they want enforcement if local authorities are not doing their bit about bus lanes in the same way as they want operators to play their part.

The point of my hon. Friend's private Member's Bill two and a half years ago was to deal with quality contract schemes. The draft Bill makes such schemes, when they are in the public interest, a more realistic option for local authorities. As my hon. Friend said, it would replace the "only practicable way" test, which local authorities said was unrealistically high. The proposal has been welcomed by local authorities. I assure my hon. Friend that the idea of having an approval board for the Secretary of State is not to put unnecessary hurdles in the way but to allow greater certainty that the quality contracts can go ahead without other problems entering the arena.

The draft Bill also sets out proposals to restructure the way in which transport is delivered in communities. It would allow for the reform of transport governance arrangements in existing areas as well as the establishment of new passenger transport authorities and changes to the boundaries of existing PTA areas. I know that the West Yorkshire PTA is actively considering that with interest.

My hon. Friend referred to rail, and made an important point about it. As he said, our White Paper on rail will include buying an additional 1,300 new carriages, over 300 of which will address rapid growth in demand in cities, including Leeds. We are going to produce a plan for the distribution of the rolling stock by January 2008. As my hon. Friend said, we announced that additional capacity would be provided to accommodate peak demand of more than 35 per cent. in the Leeds journey-to-work area by 2014. Additional capacity will be provided by lengthening trains operated by TransPennine Express. Journey times between Liverpool and Manchester will be reduced to 40 minutes and fast services between Manchester and Leeds cut to 43 minutes.

I hope that my hon. Friend was pleased by the announcement that I made last week about the feasibility study of the Manchester hub, which has important implications for the Northern Way, which is looking at how we support economic growth in the three northern regions. That will obviously have a big effect on the Leeds area, where the feasibility study will consider how to deliver increased capacity and improved reliability.

I hope that I have been able to outline the Government's ambitious agenda for improving transport in Pudsey and West Yorkshire, as well as in the rest of the country. That agenda includes providing improved access to jobs and services. We have invested in transport and we will continue to invest in transport. We will continue to tackle congestion and we will continue to work to provide high-quality public transport for all. My hon. Friend has campaigned tirelessly on the issue. I hope that what I have said today will give him some reassurance about our plans for the future, particularly the draft Local Transport Bill, which I believe will make a real difference to local transport.

*Question put and agreed to.*

*Adjourned accordingly at twelve minutes past Six o'clock.*

# House of Commons

*Friday 19 October 2007*

*The House met at half-past Nine o'clock*

## PRAYERS

*The First Deputy Chairman of Ways and Means took the Chair as Deputy Speaker, pursuant to the Standing Order.*

9.33 am

**Mr. Christopher Chope** (Christchurch) (Con): I beg to move, That the House do sit in private.

*Question put forthwith, pursuant to Standing Order No. 163 (motions to sit in private):—*

*The House divided:* Ayes 0, Noes 42.

**Division No. 212]** **[9.33 am**

**AYES**

**Tellers for the Ayes:**
**Mr. Christopher Chope and**
**Sir John Butterfill**

**NOES**

Baldry, Tony
Brennan, Kevin
Brown, rh Mr. Nicholas
Burgon, Colin
Burns, Mr. Simon
Byrne, Mr. Liam
Clark, Greg
Clark, Ms Katy
Davies, Mr. Dai
Dismore, Mr. Andrew
Evennett, Mr. David
Farrelly, Paul
Fitzpatrick, Jim
Francois, Mr. Mark
Herbert, Nick
Hesford, Stephen
Hoban, Mr. Mark
Hollobone, Mr. Philip
Hoon, rh Mr. Geoffrey
Jenkin, Mr. Bernard
Jones, Lynne
McCabe, Steve
McDonnell, John
McFadden, Mr. Pat
McGovern, Mr. Jim
Merron, Gillian
Miller, Andrew
Milton, Anne
Oiner, Mr. Bill
Öpik, Lembit
Prescott, rh Mr. John
Riordan, Mrs. Linda
Seabeck, Alison
Skinner, Mr. Dennis
Smith, Sir Robert
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Stunell, Andrew
Ussher, Kitty
Ward, Claire
Wright, Mr. Iain

**Tellers for the Noes:**
**Bob Spink and**
**Philip Davies**

*Question accordingly negatived.*

## Point of Order

**Mr. Christopher Chope** (Christchurch) (Con): On a point of order, Madam Deputy Speaker. In the light of the news overnight that the Prime Minister has sold out British interests even more quickly than expected in Lisbon in the

"Last Supper for Britain as an independent sovereign state"

in the words of one of our newspapers this morning, have you received notice that the Government intend to make a statement to the House today?

**Madam Deputy Speaker (Sylvia Heal):** I thank the hon. Member for that point of order. I have not received notice from the Government and, of course, it is entirely up to them whether they choose to make a statement to the House.

# Orders of the Day

## Building Societies (Funding) and Mutual Societies (Transfers) Bill

*Lords amendments considered.*

### Clause 3

TRANSFERS TO SUBSIDIARIES OF OTHER MUTUALS

*Lords amendment*: No. 1.

9.47 am

**Sir John Butterfill** (Bournemouth, West) (Con): I beg to move, That the House agrees with the Lords in the said amendment.

**Madam Deputy Speaker (Sylvia Heal):** With this we may discuss Lords amendments Nos. 2 to 6.

**Sir John Butterfill:** The amendments arise out of difficulties that we experienced in tabling appropriate clauses when the House first considered the Bill. They do not affect the first part of the Bill, which extends the right of building societies to greater access to capital markets. We are not considering that today.

However, the second part of the Bill was intended to allow all mutual financials to merge with one another without either party losing their mutuality. Until now, if, for example, a building society wished to merge with a friendly society, one of them would have to lose its mutuality en route. That spoils the basis of mutuality.

The Bill allows financial mutuals to merge without either side losing its mutuality. That applies to all mutuals with the exception of credit unions—and, sadly, at the time when the measure left this House, of mutual insurers. The reason for that was that mutual insurers frequently traded as companies and were therefore caught by European Union and European economic area company legislation. It was not possible in the time available for the Bill's first stages to find a draft wording that would cover that eventuality and be orderly. Happily, after the measure left this place, the Royal London mutual instructed Herbert Smith and Company, which instructed counsel. Between them they managed to produce the wording that we are being asked to consider this morning. Thanks to what happened in another place—I pay tribute to my noble Friend Lord Naseby—if the amendments are accepted, all the original objectives of the Bill will have been achieved.

**Philip Davies** (Shipley) (Con): In the light of what my hon. Friend has just said, can he confirm whether the new ruling will be subject to a potential test case in the UK courts or the European courts?

**Sir John Butterfill:** I do not think that there is any likelihood of the ruling being contested in either group of courts. I cannot absolutely confirm that, but I believe that the UK courts would be adequate.

**Mr. Christopher Chope** (Christchurch) (Con): Paragraph 5 of the explanatory notes, contained in the helpful commentary on the Lords amendments that my hon. Friend has produced, says that Lords amendments Nos. 1 to 3 ensure that

"transfers of mutual societies can apply where the transfer is to a subsidiary of an EEA mutual (which could include a mutual insurer) as well as where the transfer is to a subsidiary of another UK mutual."

I would be interested to hear whether that works the other way as well. Can that apply to transfers from a subsidiary of an EEA mutual? We have all had experience of what seems to be a one-way process, whereby European organisations can acquire British interests, but we do not seem to be able to acquire their interests in return if we wish to.

**Sir John Butterfill:** Certainly the provisions would enable that to be the case, but the process would still be subject to the legislation covering the other EEA mutual, following on from the principle of subsidiarity, which I know my hon. Friend keenly supports.

**Mr. Chope:** I am grateful to my hon. Friend for giving way again. Having answered my question rather succinctly, will he now address an even more significant issue—the ruling out of the use of hybrid instrument procedures? That was touched on in the other place, but can he give any good reason why the hybrid instrument procedure should not apply in the case of provisions under the Bill?

**Sir John Butterfill:** Yes, because that will not actually occur. If my hon. Friend is concerned about that, he should know that the Bill is simply an enabling Bill. It will enable the Treasury to bring forward proposals from time to time and it will be subject to the affirmative procedure. If he were concerned about an issue, no doubt he could raise it at the appropriate time, but we do not think that the hybridity issue will arise. Because of that, we want to make the position clear in the legislation, rather than having to deal with it at a later date.

**Mr. Chope:** But surely if the hybridity issue will not arise, there is no need for Lords amendment No. 1. If the hybridity issue arises, that will only be because private interests may be being prejudiced as a result of a transfer. If private interests are going to be prejudiced as a result of a transfer, surely it is right that the hybrid instrument procedure in the other House should be applicable.

**Sir John Butterfill:** We do not think that that can arise, but we are establishing that beyond peradventure. However, no doubt the Minister will deal with the issue when she addresses the House—the point is very technical, as my hon. Friend will be aware.

**Lembit Öpik** (Montgomeryshire) (LD): Presumably the progenitors of the amendments, which I understand from the hon. Gentleman to be the industry itself, will have considered the hybridity and European issues. Will he therefore give an indication of whether either or both of those considerations were discussed with the organisations from the sector that were involved in formulating the amendments, and if so, what their view was?

**Sir John Butterfill:** All the proposals were discussed with the industry quite extensively and were of course dealt with extensively by the Treasury law team. We are all happy with what is before us and I am sure that the Minister will confirm that.

**Mr. Chope:** My hon. Friend has not dealt with the Channel Islands and the Isle of Man. Why does he think it important that the provisions should be extended to the Channel Islands and the Isle of Man?

**Sir John Butterfill:** With his usual perceptive nature my hon. Friend will have noted that that issue arises in the next group of amendments, not this one. No doubt we shall deal with it in time—I am sure that Madam Deputy Speaker would be unhappy if I were to deal with it now.

This complex group of amendments has been thoroughly tested before being brought back to the House. We are happy that it achieves the objectives that we all wanted when the original Bill was first introduced in this place. We are now satisfied that the group does just that and no more. I therefore recommend the amendment to the House.

**Mr. Mark Hoban** (Fareham) (Con): I want to make a few brief remarks about the group. First, however, I congratulate my hon. Friend the Member for Bournemouth, West (Sir John Butterfill) on his success in navigating his third Bill on to the statute book—[HON. MEMBERS: "Fourth."] My hon. Friend's record improves by the minute.

The Bill is important and the amendments in the group address a gap that was left unfilled after Report and Third Reading earlier this year. My hon. Friend said that the amendments in the group enable mutual insurers to take advantage of the provisions of the Bill. They also extend the Bill to other mutuals in the EEA. I want to touch on some of the consequences of that, because it potentially brings within the ambit of the Bill a vast range of co-operatives in other EEA member states. We need to understand precisely what the impact could be of Lords amendment No. 3, which introduces the definition of an EEA mutual society.

Before I deal with that issue in greater length, however, I turn to Lords amendment No. 1, which deals with hybridity, which my hon. Friend the Member for Christchurch (Mr. Chope) raised in an intervention on my hon. Friend the Member for Bournemouth, West. As I understand it, the issue arises in part because a number of mutuals are established by private Bill. There was a concern that if an order was introduced to deal with the merger of two mutuals, one of which had been established under a private Bill, the hybrid procedure might apply. Lords amendment No. 1 removes that risk by ensuring that where an order might be treated as a hybrid instrument, another order can be made to ensure that it proceeds through the House without the hybrid instrument process applying.

In the debate on the matter in the other place, Lord Evans of Temple Guiting asserted that the Government believed the amendment to be necessary,

"because an order under Clause 3 could make provisions giving members of a transferring mutual membership and other rights in the holding mutual."

He continued:

"That could require changes to the constitution of the holding mutual. Where the holding mutual has a unique legal form—a private Act of Parliament, for example—that could raise an issue of hybridity. The amendment excludes the hybrid investment procedure so avoiding unnecessary delay and complications in making the instrument."—[*Official Report, House of Lords*, 10 July 2007; Vol. 693, c. 1358-59.]

We understand that the hybrid procedure can add delay. It is a thorough process; the hon. Members on both sides of the House who served on the Select Committee on the Crossrail Bill will remember the thorough scrutiny that that hybrid Bill went through. I am concerned that, by losing the hybrid instrument procedure, we will remove a level of protection and parliamentary scrutiny that would otherwise be available to members of a mutual who were dissatisfied with the proposals.

10 am

Hybrid Bills provide an opportunity for members of the public to petition a Select Committee and appear before it to express their concerns about the Bill and how it will affect them. That gives the Select Committee an opportunity to amend the Bill. If a member of the public was dissatisfied with a proposal and felt that their rights were being impaired, the hybrid instrument procedure would give them some protection. Will the Minister reassure us on this matter? Why does she think that removing the hybrid procedure is in the interest of the mutuals and their members? It offers protection at the moment, which they would lose if Lords amendment No. 1 were accepted today.

**Mr. Chope:** My hon. Friend is on to a good point here. It is significant that the explanatory notes on the Lords amendments make no attempt to justify the proposal that the hybrid procedure should not be applicable when private interests could be jeopardised. I am glad that he is putting the Minister on the spot and asking her to justify a measure that, while not setting a completely fresh precedent, should be used only in exceptional circumstances—namely, the removal of the hybrid instruments that are available to petitioners in the other place.

**Mr. Hoban:** Indeed—

**Sir John Butterfill:** Will my hon. Friend give way?

**Madam Deputy Speaker:** Order. The hon. Member for Fareham (Mr. Hoban) must reply to the first intervention. Then he might well be willing to take a second.

**Mr. Hoban:** I am grateful for your guidance, Madam Deputy Speaker.

My hon. Friend the Member for Christchurch makes an important point. The explanatory notes explain clearly what is happening, but they do not explain why it is happening. Considering the Lords amendments this morning gives us the opportunity to give them proper scrutiny and to understand the purpose for which they were tabled. I am sure that the Minister will be able to expound on the merits of removing the hybrid instrument procedure. This debate gives us the opportunity to discuss that point.

**Sir John Butterfill:** Perhaps my hon. Friend the Member for Christchurch (Mr. Chope) has not read the explanatory notes fully. They clearly state:

*[Sir John Butterfill]*

"If the EEA mutual has a unique legal form that might raise a question of hybridity."

That could be a problem. Our difficulty is that we do not know what the precise legal form of other EEA mutuals might be. The amendment has been included to overcome that problem.

**Mr. Hoban:** I am grateful to my hon. Friend for that clarification. The uncertainty about the precise legal form of an EEA mutual—I do not know, for example, what the constitution of mutuals would be in the Czech Republic or any other EU member state—strengthens the need for a clear explanation of why the hybrid instrument procedure should be removed by Lords amendment No. 1; otherwise, a greater degree of uncertainty could be created. I am sure, however, that the Minister will be able to deal with that question.

**Mr. Chope:** Does my hon. Friend share my view that there is a distinction to be drawn between the question whether the hybrid procedure is relevant—my hon. Friend the Member for Bournemouth, West (Sir John Butterfill) has suggested that it might be—and the question whether, if relevant, the procedure should be excluded by the provisions of the Bill?

**Mr. Hoban:** That distinction can clearly be drawn, but I think that my hon. Friend the Member for Bournemouth, West has established why this is an issue. We now need to move on to the second part of the argument advanced by my hon. Friend the Member for Christchurch, and to ask why it is appropriate to remove the hybrid instrument procedure. I have not been privy to the discussions between the very innovative lawyers at Herbert Smith, their counsel and the Treasury, so I rather hope that the Minister will be able to shed some light on both parts of the argument about the hybrid instrument procedure. Why is it relevant, and why should it be removed?

I must point out to my hon. Friend the Member for Christchurch that this is not the only issue that I have with this group of amendments, and I should like to move on to my next point, as I am aware that other hon. Members wish to discuss other business this morning. I want to ascertain whether an order-making power that had been inserted by the amendments would be subject to the negative or the affirmative procedure. My hon. Friend the Member for Bournemouth, West will have a clearer memory of this than I do—indeed, he alluded to it earlier—but my recollection is that, on Second Reading and on Report, he and the Minister's predecessor, the right hon. Member for Normanton (Ed Balls), emphasised the importance of ensuring that the affirmative procedure was used, as a means of providing further parliamentary scrutiny, given that this is predominantly an enabling Bill.

Lords amendment No. 3 talks about the Treasury specifying by order

"a body which is a cooperative or mutual undertaking",

but it was unclear from the Bill, when it left this House in April, whether that would fall under the negative resolution procedure. Clause 3(6) of the original Bill seems to limit the affirmative procedure to orders made as a consequence of subsection (10) and to orders that amend paragraph (a) or (b) of subsection (11). We were led to believe that much of the Bill would be covered by the affirmative procedure to ensure that Members in both Houses had the opportunity to debate the issues, rather than relying on Members praying for the annulment of an order. I should be grateful for some clarification from the Minister on whether the order-making powers in proposed new subsection (c) in Lords amendment No. 3 will be subject to the affirmative or the negative procedure.

I want to turn now to the substance of Lords amendment No. 3. As my hon. Friend the Member for Bournemouth, West said, the original clause limited the different types of mutuals that could merge to building societies, friendly societies and industrial and provident societies. The amendment would allow that definition to be broadened to include mutual insurers by making reference to EEA mutual societies. We have broadened the Bill to apply to UK-based mutuals in order to include mutual insurers, and I am concerned that the drafting of the amendment would broaden the range of European co-operatives that could take advantage of the Bill.

Lords amendment No. 3 first defines an EEA mutual society as

"a body which is a European Cooperative Society for the purposes of Council Regulation (EC) No 1435/2003 (statute for a European Cooperative Society)".

I took the trouble to print out the regulation to see what sort of mutuals might be covered—*[Interruption.]* I will resist the Minister's entreaty to read it out, as I am sure that you would rule me out of order for straying from the point, Madam Deputy Speaker. However, I could not find any definition in the regulation that would restrict the type of mutuals that could merge with a UK financial mutual to comparable European financial mutuals. Paragraph (7), for example, states:

"Cooperatives are primarily groups of persons or legal entities with particular operating principles that are different from those of other economic agents. These include principles of democratic structure and control and the distribution of the net profit for the financial year on an equitable basis".

It goes on to mention the various principles that a European co-operative society or SCE might have and it lists seven. I shall not read them out. If the Minister tempted me to do so, it would be to the regret of the whole House, as there are 24 pages of regulation.

My concern is that these provisions cover all sorts of co-operatives. I spent my holiday in France this year and the village we stayed in had a wine-making co-operative—as, indeed, did all the villages in the local area. However, there is nothing in the current drafting to suggest why wine-making co-operatives in France could not merge with a UK financial mutual. I am sure that that would not happen and it sounds preposterous until we consider the fact that at least one French insurance company that I am aware of owns a vineyard. There could occasionally be a conflict and other French wine-making co-operatives could acquire the taste for owning insurance companies. It may sound a somewhat frivolous point, but it emphasises my concern that Lords amendment No. 3 starts off by enabling any co-operative falling within the scope of regulation 1435/2003 to enter into a merger with a UK

financial mutual. The Minister might say that the order-making power in the provision will be used to define the type of mutual that can acquire a UK financial mutual and to rule out the prospect of the French wine-making co-operative from doing so, but I shall be grateful for her assurance that that is indeed the case.

**Lembit Öpik:** I am following and I am intrigued by the hon. Gentleman's argument, but what evil is he seeking to prevent? If for some reason a British financial institution wanted to merge with a wine-making co-operative in the south of France, I presume that it would do so only because it thought it was in the best economic interests of the business. I am not completely clear about what precisely the hon. Gentleman is trying to prevent UK financial mutuals from doing. As far as I can see, they are motivated not by a love of wine, but by a love of profit.

**Mr. Hoban:** Defenders of the mutual societies would say that they are not motivated by a love of profit, but by a love of serving their members. However, the hon. Gentleman makes an important point. In response, the Bill was given a Second Reading on the basis that it would facilitate the merger of different types of financial mutuals rather than create some mutual conglomerate that covers a whole range of activities from selling insurance to selling bottles of wine—pleasurable though that conjunction of activities might be. I am merely seeking clarification from the Minister of how she believes Lords amendment No. 3 will work. Does she envisage that an order will be introduced to define more clearly the types of financial mutuals that are covered by this particular regulation in order to prevent a merger with non-financial mutuals of whatever nature?

10.15 am

There remains one potential anomaly to which I would like to draw the attention of the House. On Second Reading, we had some discussion about the exclusion of credit unions from the legislation. We understood the reasons for that and I shall not depart from that consensus. However, I wonder whether a credit union based in another EEA state could merge with a UK financial mutual whereas a UK credit union could not. I am concerned that there could be an uneven playing field here as between other EEA financial mutuals and credit unions that can merge with UK financial mutuals and UK credit unions that cannot merge. Will the Minister clarify whether, under the order-making power in amendment No. 3(c), other EEA member state credit unions could be excluded from merging with UK financial mutuals? It is important for the House to understand how the amendment will operate in practice.

**Mr. Chope:** Does my hon. Friend agree that this is extremely complicated territory and that it would be easier for the House to follow what was happening if the Minister were to intervene on him when he raised these specific points? We would then be able establish whether we were satisfied before moving on to his next point.

**Mr. Hoban:** My hon. Friend, who has great experience in these matters, makes a valid point. As a gentleman, I would always give way to the Minister if she sought to intervene as my speech progressed. I would certainly hate there to be any unanswered points at the end of the debate.

**Sir John Butterfill:** Perhaps I can enlighten my hon. Friend. I refer him to clause 3(9) of the original Bill, which defines financial mutuals and the categories under which they fall. It is clear that they do not include credit unions—either here or abroad.

**Mr. Hoban:** My hon. Friend makes an important point. I am not a parliamentary draftsman, so I bow to the experience of those whom he has consulted on this matter. However, I remain keen to ensure that the link between amendment No. 3 and its definition of an EEA mutual society cross-references clearly with the definition in clause 3(9) of a mutual society. Perhaps the Minister will clarify whether that linkage actually exists. It is a powerful point, because if established, it completely removes the problem of the French wine-making co-operative—*[Interruption.]*

**Philip Davies:** I, too, bow to the greater experience of my hon. Friend the Member for Bournemouth, West (Sir John Butterfill) in these matters, but I wonder whether there is a danger of putting too much faith in the Treasury. Amendment No. 3 (c) clearly refers to

"a cooperative or mutual undertaking of such description as the Treasury specify by order",

so it could be subject to change at some future point. Whatever the Minister says is the current intention may well be superseded in the future.

**Mr. Hoban:** My hon. Friend makes an important point, which is why we need more clarity about what is currently intended to be within and without the scope of the amendment. I am sure that the Minister will be able to address the issue in her remarks.

**Mr. Chope:** Does my hon. Friend accept that a UK building society, financial mutual or mutual society would also be an EEA mutual society, because the United Kingdom is part of the EEA? Were the amendment passed, we would have two separate definitions: one of an EEA mutual society, and one of a mutual society. Surely the EEA mutual society and the mutual society are the same.

**Mr. Hoban:** We are getting into some tricky territory relating to drafting and how the clauses interact. I would be concerned if amendment No. 3 overrode subsection (9) such that credit unions, which we agreed were outside the scope of the Bill, could be brought in by virtue of the definition of an EEA mutual. I am sure that the Minister will clarify that eloquently when she chooses to speak in the debate.

Extraterritoriality, whereby a Government seek to regulate activities that take place in other states, is a thorny issue in the financial services industry. I am a little concerned that the way in which amendment No. 3 interacts with clause 3(1) and (2) gives rise to the accusation of extraterritoriality. I am sure that the Minister is also wary of other states trying to regulate extraterritorially in the UK, and we would not want to be accused of introducing the same vice in the Bill.

*[Mr. Hoban]*

Clause 3(1) gives the Treasury the power to modify transfer provisions as it thinks appropriate, to facilitate the transfer of business between mutual societies. Subsection (2) indicates the extent to which the Treasury can intervene by referring to membership rights and so on. Will the Treasury be able to stipulate conditions about membership of a new pan-European financial mutual, when an EEA financial mutual acquires a UK financial mutual? The excellent explanatory notes, in reference to Lords amendment No. 6 and the justification of the charging by the FSA, state:

"The extension of clause 3 to EEA mutuals will require certain safeguards to be in place, equivalent to those applicable to domestic mutuals, regarding membership rights in the holding mutual and further demutualization."

Amendment No. 3 would therefore appear to give the Treasury power to stipulate the future activities of a pan-European financial mutual. I suspect that it would enable the Treasury to say that such a mutual could not demutualise. In the event of further mergers, the Treasury, because of its earlier stipulations on mergers, might be able to restrict the commercial freedom of a mutual as it develops and grows.

**Lembit Öpik:** My interpretation would be that the Treasury could stipulate what happens within the jurisdiction of the UK but not necessarily elsewhere. Therefore, would not it be expedient for any pan-European organisation to operate as a subsidiary in the United Kingdom, to fulfil any of the British Government's stipulations, and to operate on a connected but not identical basis in other parts of Europe?

**Mr. Hoban:** The hon. Gentleman might be right, but we need some clarity. From reading the explanatory notes, I am not sure what the limits will be to the operation of the Treasury's powers. If his interpretation is right, my concern is met, but that is not clear at the moment. An EEA financial mutual might choose not to merge with a UK financial mutual because it fears that the provisions that the Treasury can make under clause 3(1) could impede its future pan-European operations.

**Lembit Öpik:** Guidance from the Minister on this point is probably helpful, but I suspect that it is a pretty open-and-shut case. Will the Minister confirm that any legislation that we pass today will only be relevant to activities within the jurisdiction of the British Government—those in the United Kingdom?

**The Economic Secretary to the Treasury (Kitty Ussher)** *indicated assent.*

**Lembit Öpik:** The Minister is nodding, so I suspect that she will confirm that the issue raised by the hon. Member for Fareham (Mr. Hoban) is resolved by the fact that the legislation that we pass now will only be applicable to countries directly overseen by the British Government.

**Mr. Hoban:** The hon. Gentleman might be right, and the Minister might indicate that in her remarks. I would add, however, that people might become members of a pan-European financial mutual, so how do we protect their rights? We have one sort of regulations for European co-operative societies, but the European Commission proposed a harmonised set of rules for European financial mutuals, which might give greater protection on a pan-European basis. Those proposals, however, have been withdrawn.

**Sir John Butterfill:** My hon. Friend is being untypically—or atypically—naive. The situation is no different from that for banks. Santander, which bought Abbey, operates as a pan-European banking conglomerate. Its activities in the UK, however, are regulated by the FSA and the Treasury. There would be no difference between what happened in relation to a commercial bank and what happened in relation to a European-wide financial mutual: what it did in the UK would be regulated by the UK. I would have thought that obvious, and I do not quite understand my hon. Friend's concerns.

**Mr. Hoban:** Part of this process is to tease out what will happen when the amendments come into force. When mutuals merge, and a pan-European financial mutual is created, I am not clear how members rights will be protected in that larger organisation. If a mutual becomes a subsidiary of a pan-European mutual, how would that work in practice? I would be content if the Minister gave the House the assurances that the hon. Member for Montgomeryshire (Lembit Öpik) and my hon. Friend the Member for Bournemouth, West have offered. Some clarity would be helpful, however, given that the explanatory notes are not as full as they could be in explaining the matter.

**Philip Davies:** I feel that I should leap to my hon. Friend's defence in the face of the onslaught from my hon. Friend the Member for Bournemouth, West (Sir John Butterfill). Does he agree that the analogy given by my hon. Friend the Member for Bournemouth, West is not completely accurate, because while the activities of such a mutual relating to customers and consumers will be regulated by the FSA, in the same way as those of any bank, the issue of membership rights is totally different, and does not apply in the case of Santander and Abbey?

**Mr. Hoban:** I do not want to go too far down this route. My hon. Friend makes an important point. UK shareholder rights are different from those for a shareholder in a Spanish organisation; shareholder rights are not the same across all EEA member states. I am sure that the Minister will clarify the situation.

**Mr. Chope:** Will my hon. Friend give way?

**Mr. Hoban:** I will give way one last time.

10.30 am

**Mr. Chope:** I think that my hon. Friend is on to a good point. There is a distinction between members of a mutual society and shareholders in a company. The Abbey National used to be a building society with members, whose interests were bought out when it became a company; the company was then taken over by Banco Santander. What we are discussing in this

instance is the possibility of a mutual building society being taken over by a European bank which is a company, and members of the building society in the United Kingdom being disadvantaged by what happens in the operation of that organisation elsewhere in Europe.

**Mr. Hoban:** That is an important point. We may need to distinguish between a member of a mutual as a customer of that mutual and a member of a mutual as "a shareholder" in the organisation. What I am trying to tease out is how that distinction works in the case of a pan-European mutual. Presumably a member of a United Kingdom mutual that has been taken over would expect to remain a member of the pan-European mutual. How will his rights as a member of that pan-European mutual be protected? The Treasury has powers under clause 3(1) and (2) which I understand to apply to a UK merger. I should like to know how they would apply in the context of a merger between, say, a UK and a French financial mutual.

Lords amendment No. 6 gives the Financial Services Authority power to charge fees for any functions conferred on it under the Bill. I wonder whether the Minister has had any discussions with the FSA about the type of charges that might be incurred. Our debate on extraterritoriality demonstrated some of the complexities involved in these matters, and the amendment implies that complex situations could be involved in this instance as well.

My comments have been intended to probe, and to ensure that the House exercises its role of scrutinising legislation. A gap was left at the end of the last Commons stage, and I think it should be filled. We all want financial mutuals to be strengthened, and if the amendments would allow that to happen, I approve of them.

**Lembit Öpik:** I congratulate the hon. Member for Bournemouth, West (Sir John Butterfill) on his prodigious production of legislation. Given that this is his fourth Bill of the session, I suggest that he is rather more successful at running the country than most Ministers. I also congratulate the hon. Member for Fareham (Mr. Hoban) on identifying so many causes of fear in just six amendments. I do not mean to be rude, but I feel that rather than this being a celebration of detail, there is a hint of paranoia over the possibility that the hon. Member for Bournemouth, West may be trying to slip one under the wire and cause the permanent descent of financial mutuals in the United Kingdom into the hands of the operators of vineyards in France.

The hon. Member for Fareham made an interesting point about hybridity. I should like to know the Minister's views on that, but it seems to me that Lords amendment No. 1 reduces the risk of application of the instruments relating to hybridity. I can see why that is attractive to the industry: it streamlines the process and, as far as I can see, reduces the opportunity for public debate about such changes. Conversely, if the amendment does indeed work in the private interests of companies, it may not necessarily work in the interests of investors or the public in general. Perhaps the Minister could give us her perspective on whether there will be unreasonable restriction of the opportunity for public participation if the hybrid—instrument procedure is used less often.

**Sir John Butterfill:** I am sure the hon. Gentleman is aware that before any merger of this type could take place, the members of both the mutual societies concerned would have to vote in favour of it. They would be the people most directly affected.

**Lembit Öpik:** The hon. Gentleman has summarised the single most important defence for any such change. It is true that there will already be a legal requirement for the most direct stakeholders to have an opportunity to vote on the matter. The Minister may wish to put something on the record for future reference in case the legislation is ever applied in controversial circumstances.

I do not share the hon. Member for Fareham's concerns about Lords amendment No. 3. He spoke of the dangers of a potential merger between a financial mutual in the United Kingdom and a vineyard or wine-making co-operative in the south of France. I observe in parenthesis that judging by the current performance of my endowment mortgage I probably should have invested my money in French wine, so it may not necessarily be a bad decision. Nevertheless, there is a practical and strategic question to be posed.

If for some reason a financial mutual in the United Kingdom decided to merge with a co-operative of whatever sort elsewhere in Europe, presumably the usual channels would have to be pursued and the members of the financial mutual would have an opportunity to vote on it. So if the senior management of a financial mutual were able to persuade its British membership that the merger was indeed in the interests of the organisation, who are we to prevent it from taking place? It is obvious—in my view, at least—that the organisation would still be bound by the regulations as they pertain in the United Kingdom, and that the security of the investments of the stakeholders in the United Kingdom would therefore be preserved. I do not entirely understand what the hon. Member for Fareham fears could happen that would not be in the interests of the organisations concerned, and would not be authorised by the stakeholders.

**Mr. Hoban:** The hon. Gentleman is right to point out that it would be up to the members of both organisations to decide. I seek clarification of what is intended by the amendment; I do not mean to pass comment on its application.

**Lembit Öpik:** That is probably a worthwhile request to the Minister. I too hope that she can clarify her understanding of the consequences.

As I have explained, I believe that the issue is resolved by the fact that the British legislation will apply in all circumstances in which the United Kingdom Government have jurisdiction, and will not apply in areas where they do not have that jurisdiction. The hon. Member for Bournemouth, West has already made an analogy with another financial institution that explicitly organises its operations following a takeover of a British-based financial institution in order to ensure that its British operations must adhere to British

*[Lembit Öpik]*

legislation, and that at the same time it operates according to the regulations as they apply in other European states.

I was interested by what the hon. Member for Fareham and others said about the difficulty of not having a harmonised system of regulations across the European Union as a whole. Far be it from me to suggest that that sounds like a curious plea from those on the Conservative Front Bench for fiscal and legislative harmonisation across the EU, which I personally feel—perhaps this makes me a Eurosceptic—would be taking things too far.

**Mr. Hoban:** I should hate the hon. Gentleman to leave with an incorrect interpretation of my remarks. I merely drew attention to the absence of such harmonised regulations. We are left with the question of how it can be ensured that the interests of members are protected. I recognise that there are different rights in different member states when it comes to, say, shareholders of public companies. We should encourage the rich variety in the European Union rather than seeking to homogenise it.

**Lembit Öpik:** I fully understand the hon. Gentleman's desire to clarify on the record the position of those on the Conservative Front-Bench. For the avoidance of doubt, and because I know from painful experience that irony translates poorly in *Hansard*, let me reaffirm to the good people of the United Kingdom that I believe that, on balance, I am still more pro-European than the hon. Gentleman.

There is, however, an inescapable reality to do with harmonisation. In respect of any such proposed legislation it will be necessary for judgments to be made in the application of regulations in cases of potential mergers. So long as there is not a harmonised system of regulations explicitly defining the terms of mutuality and associated matters across the EU, we will have to depend on the common sense of those interpreting the regulations when a merger is proposed.

An interesting point was made about credit unions, but that highlights just one of a number of situations in which there could be a grey area and the legislation would have to be interpreted according to specific circumstances. I do not believe that it is possible to frame such proposed legislation so explicitly as to cover in black-and-white terms every possible eventuality. I seek the Minister's guidance on this: will she furnish us with her judgment on whether, when the legislation is applied, there will still need to be a degree of interpretation?

In the real world, I expect there will be few circumstances in which such uncertainties arise. In the majority of cases, the arguments will be so clear and the mergers so well defined in established precedent that we will not have such a problem. It is also my experience that when we in this House analyse proposed legislation we often over-emphasise potential problems and undervalue the benefits of having professionals making judgments.

Although I hope the Minister can give some clarification on the issues I have raised, overall the amendments are sensible, as they have been framed with the industry in mind. There is also the ultimate insurance policy: when such mergers are proposed, the members will vote on them.

**Mr. Chope:** I congratulate my hon. Friend the Member for Bournemouth, West (Sir John Butterfill) on the progress he has made with his Bill. I have the privilege of being one of the co-sponsors, and I look forward to it getting on to the statute book—I am probably almost as excited as he is about that prospect. However, that does not mean that we should not use the opportunity presented to us today to get a little more clarity, particularly from the Government on what their intentions are as they will hold all the cards under the powers we will give them under the Bill.

The fact that we have a decent chunk of time to discuss the Bill at this stage of the parliamentary Session is a great vindication of the decision taken a few years ago by a previous Leader of the House that we should have a sitting Friday after the long recess so that we can consider amendments from the other place to private Members' Bills that we in this House have carried through to Third Reading. Under the previous arrangements, when the last Friday sitting was at the end of July, it would not have been possible for the Bill to make progress with the amendments made in the other place. There used to be a vicious circle: because of the reluctance of the other place to make amendments that they knew would kill a Bill, Bills were less perfect than they would otherwise be.

First, I should declare my interests, not only as a sponsor of the Bill but as someone who holds a mortgage with the Nationwide, which is a supreme example of a good mutual. I have my house insurance with the Liverpool Victoria, which I understand is a mutual insurer, and I have a great constituency interest in what we used to call the Portland building society—it has now been taken over by the Nationwide. Its headquarters are in my hon. Friend's constituency, which is, perhaps, one of the reasons he has developed a strong interest in this subject.

10.45 am

I shall first discuss amendment No. 1. It was moved by Lord Evans of Temple Guiting on 10 July. At that stage, he was a member of the Government so he was speaking on behalf of the Government, but I understand he resigned on Wednesday. I am sure that the Minister will join me in paying tribute to his service, and in particular his contribution in helping to steer the Bill through the other place. He said that the overall purpose of the Bill was to ensure that there were

"helpful amendments to building societies legislation in relation to the wholesale funding limit and the position of their members in the event of an insolvency."—[*Official Report, House of Lords*, 10 July 2007; Vol. 693, c. 1355.]

That is important. We discussed earlier in connection with safeguards what happens if a mutual organisation in our country is taken over by a mutual organisation outside the country and therefore outside the bounds of the regulatory control of our regulatory authorities, and that mutual then goes into insolvency. How will members based in the UK who are caught up in such a transfer be protected? It is important that the Minister gives us some assurances on that, particularly in the case of mutual insurance companies, which are much

more vulnerable to the marketplace than building societies. The Minister whom I quoted was, of course, speaking before the Northern Rock crisis occurred.

**Sir John Butterfill:** My hon. Friend does not realise that the scenario he describes could happen today, without this Bill being enacted. The only difference is that it would happen only if one of the parties lost its mutuality. The members would have to vote for that. Any British mutual can be bought by an overseas entity of any type whatsoever, but its members would need to vote for that, and it would lose its mutuality en route. That makes no difference to the scenario my hon. Friend describes. It simply enables them both to remain mutuals.

**Mr. Chope:** Is that correct? I ask with great respect, as my hon. Friend is a much greater expert in this matter than I am. To go back to the example of the Abbey National, it was originally a mutual society, then its members chose to demutualise and benefited from that, and then in due course that company was taken over by Banco Santander. That had become a shareholder issue, and the shareholders in the company then became shareholders in the Spanish company. In the case of a mutual that is taken over by another mutual, that organisation does not lose its mutual status and its members want to be assured that they will still be members of an organisation that has value and that at some stage in the future they will be able to benefit from that. Therefore, I am unsure whether the issue of a mutual being taken over by a foreign mutual is the same as that of a mutual that becomes a company in this country as a result of a resolution passed by the members. Perhaps the Minister will be able to give some clarification on that when she responds to these points.

The Northern Rock example involves a building society that gave up its mutuality before losing much of its reputation—or perhaps I should say, its head. Many of the erstwhile mutual members of Northern Rock received shares in lieu of their mutual interest and are now, arguably, far worse off than if it had never given up its mutuality.

However, at least the Northern Rock scenario is under the control of a British regulator and the rules made by this sovereign Parliament. That would not be the case if Northern Rock had been taken over when it was mutual by another mutual somewhere else in the European economic area. That is the distinction to which we need to draw attention.

**Lembit Öpik:** Leaving aside the fact that Northern Rock's recent difficulties obviously have nothing to do with its status as a financial institution—

**Philip Davies:** They do.

**Lembit Öpik:** Well, okay—we will have that discussion in the pub later. Leaving that aside, surely the hon. Member for Christchurch (Mr. Chope) can see that any financial institution based in the United Kingdom must necessarily be subject to British regulations. Is he suggesting that a financial institution taken over by a foreign organisation would be subject to regulations from somewhere else, even though it was operating within the United Kingdom?

**Mr. Chope:** Obviously, the operations of such an institution within the United Kingdom, in so far as they dealt with retail issues—insurance or building society services, for example—would be regulated in this country. I am concerned about the regulations on the operation of such a mutual society. For example, what proportion of loans would it be allowed to take in comparison with the value of its members' interests? One thing that prompted my hon. Friend the Member for Bournemouth, West to introduce this legislation was his liberalising desire for mutual building societies to be able to have access to the wholesale market for funds. It was that power that went to the head of Northern Rock and resulted in its current problems. I do not say that that was the sole cause, but it contributed. If Northern Rock had remained a mutual building society, it would not have been able to get access to those wholesale funds or to get into its current difficulties, which have resulted from recent events in the financial markets.

**Lembit Öpik:** What mechanism can the hon. Gentleman foresee that would enable the people determining whether to make such changes in the status of financial institutions to decide what the strategic decisions of the management were likely to be? The hon. Gentleman cannot blame the structure of the organisation for the decisions that were made; if it were a structural issue, why was only Northern Rock affected and not other similar organisations?

**Mr. Chope:** I do not say that the problems were all due to the structure of the organisation—

**Madam Deputy Speaker:** I should remind hon. Members that we are not debating the issue of Northern Rock. Enough reference has been made to it for an understanding to have been achieved.

**Mr. Chope:** I am grateful, Madam Deputy Speaker. You enable me to answer the hon. Gentleman's other point on how we would introduce safeguards, in respect of which I have a bit of a problem with Lords amendment No. 1. At the moment, one of the safeguards is that before any approval, if the issue is a hybrid one, anybody who felt aggrieved could petition the other place under the hybrid instrument procedure. However, under Lords amendment No. 1, such a move would be excluded. Paragraph 6 of the explanatory notes on the Lords amendments refers to the justification for that, but it does not wash. Paragraph 6 states:

> "Lords Amendment 1 ensures that any order made under clause 3 which may have effects peculiar to a particular mutual will not be dealt with under the hybrid instrument procedure...As a result of the addition of 'EEA mutual' to clause 3 it is possible that an order... could, for example, require an EEA mutual society acquiring a UK mutual to give transferring members full membership rights in the EEA mutual."

Most of us would think that a good idea. However, the paragraph goes on:

> "If the EEA mutual has a unique legal form that might raise a question of hybridity."

Okay—so it raises a question of hybridity. If the hybrid instrument procedure were applied, members of the UK mutual subject to it would be able to decide

*[Mr. Chope]*

whether, either as individuals or collectively, they wished to petition the other place under that procedure.

Lords amendment No. 1 would ensure, as paragraph 6 goes on,

"that the hybrid instrument procedure would not apply, should such a situation arise."

Why should it not apply? What mischief could possibly result from the hybrid instrument procedure? The essence of that procedure in the other place is that an opportunity is given to petition, just as people can petition against a private Bill or a hybrid Bill. If the relevant people consider that they need to petition against it, they can; the petition is then considered by the relevant Committee in the other place. That can either reject the petition as being irrelevant or without substance, or say that the petition has substance and merit, and proceed accordingly.

**Sir John Butterfill:** I bring my hon. Friend back to the point that we would be dealing with two groups of members: the members of a mutual may be borrowers or depositors. In such cases, both the interest groups would be served. I cannot think of another group of people who would have locus standi by petitioning as my hon. Friend suggests. Will he say who they could possibly be?

**Mr. Chope:** We are talking about hypotheses. If my hon. Friend does not think that any group would have a locus standi to petition in the event that a hybrid instrument had been deemed, there would be no harm in allowing the hybrid instrument procedure, because it would not make any difference. Perhaps neither my hon. Friend nor I are wise enough to know exactly what is behind all this, but paragraph 6 is phrased as it is because somebody thinks that private interests might well be prejudiced as a result of the procedure. Under the hybrid instrument procedure, those interests would have a right to petition in the other place and "they" might wish—I do not know who "they" would be—to preclude that right or opportunity from those aggrieved petitioners.

**Sir John Butterfill:** My hon. Friend knows very well that in such circumstances mischief-makers could claim to have locus standi, that the procedure for establishing that is complex and long, and that the issue would go to the Court of Referees. People interested in delaying things—for whatever reason; another commercial company might want to take the building society over, for example—could make mischief knowing that, although they would not succeed, they could delay the whole procedure.

**Mr. Chope:** If one looks at the history of the hybrid instrument procedure, one sees that it has always been the last desperate throw of the people who have been challenged on the issue—to say, "We cannot afford to delay." It so happens that there would be no delay if the petition were rejected and that in the other House there is what is called, I think, an expedited hybrid instrument procedure to cover the scenario to which my hon. Friend refers. We should not have too much haste if that is going to result in people feeling or being prejudiced against as a result of a takeover of an organisation, in which they have a mutual interest, by an EEA mutual.

**Philip Davies:** Does my hon. Friend agree that my hon. Friend the Member for Bournemouth, West (Sir John Butterfill) might well be right in saying that this provision would prevent unnecessary delay in any such mutual takeover or joining together? Does he further agree, however, that it might also prevent a necessary delay?

11 am

**Mr. Chope:** Exactly—my hon. Friend is absolutely right. That is why, when looking at this issue, their Lordships' House and a Joint Committee of both Houses regarded the hybrid instrument procedure as sacrosanct—as a cherished means of preserving the rights of individuals, which should not be prejudiced by a hybrid instrument. The whole purpose of the procedure is clear. My hon. Friend the Member for Bournemouth, West says that he does not think that a set of circumstances will ever occur when it will be triggered. That is fine, but why not leave the power in the Bill?

Our noble Friend Lord Naseby raised this issue in the debate in the other place on 10 July. The Minister present said in response that, given the "sheaf of notes" that he had on hybridity, he would write a full letter about it to our noble Friend. That letter, dated 12 July, was placed in the Library of the other place on 17 July, as deposited paper 2007/563. I intend to quote briefly from it—if I can find it from among my papers. *[Interruption.]* The Minister, helpfully, has a copy. Perhaps she—

**Madam Deputy Speaker:** Order. Perhaps the hon. Gentleman can continue, even without the benefit of the letter.

**Mr. Chope:** Exactly, Madam Deputy Speaker. Effectively, what the Minister who wrote that letter said was not very different from the explanatory memorandum. It is not satisfactory that we are being asked to allow the rules on hybridity to be disapplied, without any guaranteed safeguards for members who might otherwise be able to resort to those rules. The provisions in the Standing Orders of the other place have stood the test of time as a necessary safeguard. Those set out in Standing Orders Nos. 216 and 216A are clearly stated and do not involve an enormous amount of time; however, they do ensure that those who feel aggrieved can put forward a petition, which can then be considered.

As someone who did once petition this House in respect of a private Bill—a house in London in which I had an interest was over the proposed route of the Jubilee line tunnel—I know exactly how valuable the petitioning procedure can be. I point out to my hon. Friend the Member for Bournemouth, West in particular that it normally results not in a full hearing in front of the relevant Committee, but in a compromise between those who feel aggrieved and the promoters of the Bill or instrument in question. It is a safeguard that will probably not normally have to be

exercised through time being spent in the other place. However, the knowledge on the part of the mutual society in question that, if the instrument is potentially hybrid, it needs to ensure fairness among all the private interests affected, concentrates minds and ensures that the society is more likely to satisfy an aggrieved party's complaints in advance.

This procedure does have a very important role to play, therefore, in our parliamentary democracy and, indeed, in our constitution. In fact, that is exactly what happened in the case that I was referring to. As a result of our expressing concern that our houses would subside because of the tunnelling works, our local residents association was given cast-iron guarantees that, if any subsidence occurred, it would be paid for by those building the new Jubilee line. I am pleased to say that in the end, there was no subsidence. However, there were concerns that there might be, and without the private Bill procedure and the opportunity to petition, those concerns might have affected the value of houses in the area because people would have been worried about what would happen if subsidence did occur in future. So this procedure is not merely theoretical, but of constitutional significance.

It is worth telling the House that it is not the case that hybrid orders are never resorted to. First, however, I should point out that I have found three examples since 1 January 2000 of hybrid orders that did complete the hybrid instrument procedure. There were no petitions presented against the London Thames Gateway Development Corporation (Area and Constitution) Order 2004, which was subsequently approved by both Houses. I have not gone into the detail, but perhaps that was because the concerns expressed—similar to my experience with the Jubilee line—were addressed before the matter reached Parliament. The second example is the Thurrock Development Corporation (Area and Constitution) Order 2003, which was laid before Parliament on 2 July 2003. No petitions were presented against that order, which was subsequently approved by both Houses. The third example is the draft Policing of Airports (Belfast City) Order 2003. Again, no petitions were presented.

In case any of my hon. Friends are now thinking, "Well, is this procedure ever used?", I can tell them that it was used in the context of the West Northamptonshire Development Corporation (Area and Constitution) Order 2004, which was petitioned against. The relevant Select Committee considered the matters complained of in the petitions against the order. They were gone into, and eventually the order was approved by both Houses. However, as a result, it was a better order than it would have been, and those who felt that it would particularly disadvantage them were able to have their say.

You will know, Madam Deputy Speaker, that the right to petition this House goes back to time immemorial—before the time when we began having Government legislation in the way we have it today. I cannot understand the reports in today's papers saying that the Government have not got enough legislation for this House and, that as a result, we will be unable to sit so much next year.

**Madam Deputy Speaker:** Order. I remind the hon. Gentleman that this is a narrow debate on a particular group of amendments.

**Mr. Chope:** It is indeed narrow, Madam Deputy Speaker, but may I submit that it is also very important, because it is on a subject that affects the rights of the individual subjects of our country?

As my hon. Friend the Member for Bournemouth, West has pointed out, there is a problem regarding the time that the procedure can take. However, as I did earlier, I draw his attention to House of Lords Standing Order No. 216A.

It provides for the expedited procedure, under which the Bill does not have to be considered in such detail, and states that the

"hybrid instrument…which, by virtue of the Act authorising it to be made, is, after the expiry of a period prescribed by that Act…to proceed in Parliament as if its provisions would, apart from that Act, require to be enacted by a public bill that is not hybrid…referred to as an "expedited hybrid instrument".

The procedure for such an instrument differs from that applicable to other hybrid instruments.

The standing order continues:

"A petition…not to affirm an expedited hybrid instrument shall be…deposited…within ten days beginning with the day on which the instrument is laid".

If the Hybrid Instruments Committee is of the opinion that there ought to be a further inquiry, it conducts that inquiry itself, forthwith. After 10 days, if there is some substance to the petition, the matter is inquired into; the Hybrid Instruments Committee does that itself. The procedure could not be used, as has been suggested, by potential rival bidders, although we know from what happens in the real world that such bidders often get up to all sorts of tricks. We have seen that in relation to a recent takeover of a bank, although we shall leave that to one side.

I took the liberty of asking the House of Commons Library about the implications of Lords amendment No. 1. Its reply states:

"In general terms those who would have wished to petition against a hybrid instrument would be adversely affected, as treating such an instrument as an ordinary instrument precludes the right to petition."

It continues:

"Exactly who those individuals or groups would be would depend on the provisions in the instrument."

That almost goes without saying. This real issue could act adversely against members of mutual societies when they find that their directors have it in mind to sell their interests to other organisations in the European economic area. Those agreed members should have the chance to take advantage of the procedure that I have outlined.

The problem that I have about all this is that if we reject Lords amendment No. 1, it might jeopardise the whole Bill—it would depend on whether their lordships could be reconvened to accept our disagreement with it. I hope that the Minister will express her good intentions and those of the Government in respect of how those individuals who might be adversely affected will be protected if that cannot be done by the hybrid instrument procedure.

I am worried about the predatory action that may come from some EEA mutual insurers. Mutual insurers are basically known much more on the continent than in our country. I shall now translate a document from French. The international association of mutual

*[Mr. Chope]*

assurance societies is based in Brussels, in what is sometimes described as the heart of Europe. It produced a helpful note on what mutual insurance is and why one must use it. Under the heading "opportunities", it identifies the fact that the insurance market is still expanding because the universe of risks is doing so too. That universe is indeed expanding, but those are risks not only that people want to have insured, but they are risks for insurance companies. The larger the risks insured, the larger the risk to those companies. We know what happened to Lloyd's members.

11.15 am

What happens when people invest in a mutual savings society and find that that society's interests are taken over by a mutual insurance company which then, in order to buy insurance business, insures things that it should not have done and ends up going bust? Where does that leave the savers in the mutual society originally based in the UK, who may have lost everything? Surely we should safeguard against such a situation. We should be alert to the prospect of predatory action.

Before I turn to the other amendments, may I tell hon. Members that the issue of hybrid instruments was examined by the Joint Select Committee on Delegated Legislation in 1972-73? Those recommendations were accepted by both Houses. The Committee was chaired by the late Lord Brooke of Cumnor, the father of the current Lord Brooke of Sutton Mandeville, whom I had the privilege of serving for a short time as a Parliamentary Private Secretary when he was a Treasury Minister. That is a distinguished family of statesmen.

**Madam Deputy Speaker:** Order. Interesting as that might be, I do not think that it is in any way relevant to the amendments that we are discussing.

**Mr. Chope:** The Joint Select Committee on Delegated Legislation that examined the issue of hybrid instruments said that where those hybrid instruments were such that they might affect individuals, there should not be any removal of the right to use those hybrid instruments. Its concern was that although we have clear rules about what hybrid Bills are and the fact that people have the right to petition for such Bills, the Executive were trying to avoid the hybridity rules that relate to private Bills by trying to use subordinate legislation as the means for getting those hybrid instruments through.

That is why the hybrid instruments procedure was initiated. It was examined by the Committee, which concluded that the procedure has

"for nearly 50 years provided valuable safeguards for private interests affected by delegated legislation and should be retained."

That is what is important in the context of this debate: that procedure should be retained and not swept away. If it is to be bypassed by the provisions of this Bill, it is incumbent on the Minister to articulate clearly what alternative safeguards will be available to people who might be adversely affected.

I turn to the other Lords amendments in this considerable group. I am grateful to my hon. Friend the Member for Fareham (Mr. Hoban) for raising a number of concerns that I had about their provisions, particularly Lords amendment No. 3. I hope that the Minister will be able to give us assurances about the insertion of a definition of an EEA mutual society, which as I said in an intervention, seems to be at odds with the Bill's definition of a mutual society. Surely a UK mutual society is also an EEA mutual society, because the UK is in the EEA.

It would have been much clearer if the same rules applied everywhere. I hoped that the hon. Member for Montgomeryshire (Lembit Öpik) was allying himself with the Eurosceptic cause, but I can understand that his ambitions to become president of his party are unlikely to be realised—in the light of the leadership candidates—if he has such credentials. I do not blame him for suppressing them today. In any case, he expressed concerns and I hope that they will be addressed by the Minister.

**Lembit Öpik:** Just for the avoidance of doubt, I can hardly be a Eurosceptic given that my parents are Estonian. If I were to express any scepticism about the case for mutuality rules that work effectively across Europe, I would be made a pariah in Tallinn.

**Mr. Chope:** I hear the development of the hon. Gentleman's argument, but as I am a member of the parliamentary delegation to the Council of Europe, some of my best friends are Estonian, and I know—

**Madam Deputy Speaker:** Order. I have allowed a little latitude, but that is far enough.

**Mr. Chope:** I hope that the Minister will be able to respond to the concerns expressed. At the moment, the definition in amendment No. 3 of an EEA mutual society is not confined to financial mutuals, but the definition in the Bill relating to mutual societies—in other words, UK mutual societies—is confined to financial mutuals. My hon. Friend the Member for Fareham made an analogy with a mutual wine-growing co-operative. In this country we have a well known and ancient wine co-operative, of which I am privileged to be a mutual member, and that is the Wine Society. If anyone suggested that the Wine Society might be able to take over a building society, people would think that they must be barking. But on the face of it, the Bill would enable a co-operative vineyard in an EEA state to take over a mutual savings society operating in this country.

My hon. Friend also referred in passing to the concerns that have been expressed about cost, including the cost of the Financial Services Authority becoming involved at that vague dividing line between its responsibilities in the UK and how much it could be involved in regulating a mutual based outside the UK. I notice from the financial memorandum that the costs to be incurred would never exceed the costs actually incurred by the FSA, but implicit in that is that the FSA would be able to pass on its full costs to any mutuals involved. Concern was expressed in the other place that that might be a deterrent. I am not saying

that that would necessarily be a bad thing, because it would be good to have some deterrent against all our mutuals being taken over by foreign organisations.

I hope that the Minister will be able to address the point that I put to my hon. Friend at the outset about reciprocity. At the moment, the Bill and the notes on it are phrased to suggest that a mutual society in this country could be acquired by or merged with a mutual society elsewhere. However, it would not appear to facilitate the taking over of a foreign mutual by a UK-based mutual.

I hope that the Minister will be able to address our concerns and give me some assurances, so that we do not have to divide the House and thereby jeopardise the further progress of this important piece of legislation, on which I once again congratulate my hon. Friend the Member for Bournemouth, West.

**Philip Davies:** I, too, wish to congratulate my hon. Friend the Member for Bournemouth, West (Sir John Butterfill) on getting yet another private Member's Bill to this stage. He is on the threshold of getting another one enacted, and that is a considerable achievement.

I have followed the debate this morning with interest. Some of the arguments on the amendments are finely balanced, although my hon. Friend made a persuasive case for their incorporation into the Bill. However, my hon. Friends the Member for Fareham (Mr. Hoban) and for Christchurch (Mr. Chope) also gave some persuasive arguments about why we should be concerned by the amendments. I wish to tease out some of the issues and I hope that the Minister will be able to reassure the House that there is nothing sinister behind the amendments, whether intentional or otherwise.

It would also be helpful if the Minister could clarify which of the amendments are required to comply with EU law and which ones are just thought to be a desirable addition to the Bill. I am not entirely clear which ones we have to accept just to comply once again with our masters in Brussels.

My hon. Friend the Member for Christchurch made a persuasive case that hybrid instruments have stood the test of time. From the Committee proceedings that he quoted, they would appear to have been in place for some 80 years, so the Government need to do much more to explain why something that has stood the test of time for so long and been considered an important part of our procedure should be ditched for the purposes of this Bill. My hon. Friend suggested that that was a slippery slope that might be extended at some point to future issues, so it is important that the principle that hybrid instruments can be brought before the House is considered in detail. I would not like us to ditch something willy-nilly, after a short debate with few Members present on a Friday morning, for the sake of something that is not necessary. I hope that the Minister can clarify why Lords amendment No. 1 is necessary.

My hon. Friend the Member for Bournemouth, West said that he could not envisage anybody who might wish to bring the question of hybridity forward, and the only people who would wish to do so would be mischief makers. My hon. Friend has much experience in such matters, and he may well be right, so I shall not quibble with him. However, it says in the explanatory notes—Lord Evans of Temple Guiting made the same point in the debate in the House of Lords—that

"an order under clause 3 could...require an EEA mutual society acquiring a UK mutual to give transferring members full membership rights in the EEA mutual. If the EEA mutual has a unique legal form that might raise a question of hybridity."

That suggests that the Government accept that the Bill might raise questions of hybridity and no one seems to dispute that point. The amendment is merely there to ensure that when a question of hybridity is raised, the hybrid instrument procedure would not apply.

My hon. Friend the Member for Bournemouth, West made the point that the amendment will prevent unnecessary delay and stop mischief makers causing trouble. That may well be right. It strikes me, however, that if the Government are acknowledging that a question of hybridity could arise, the amendment could prevent a necessary delay from taking place. I do not understand what huge advantage the amendment provides that justifies ditching an important tradition that has stood the test of time. The Minister should go into detail to explain why the amendment is necessary. It strikes me that it is required not for us to comply with EU law, but because the Government think that it is desirable. She should make the position clear.

11.30 am

Amendments Nos. 2 and 3 would widen the definition of a mutual society. We had an interesting discussion about mutual vineyard owners taking over financial institutions. The point behind that is important. Proposed new paragraph (c) in amendment No. 3 states that the body is

"a body which is a cooperative or mutual undertaking of such description as the Treasury specify by order".

I tend to be cynical about such measures because they are deliberately vague and might allow the Treasury, perhaps at a later date, to do something that was not intended when the Bill was passed. Given that, it would help the House if the Minister made it clear which bodies the Treasury intends to specify by order, and if she made a commitment that that would not be extended without further parliamentary scrutiny.

**Sir John Butterfill:** My hon. Friend is aware that the Bill provides that all such orders will be subject to the affirmative resolution procedure. Therefore, the House will have the opportunity of discussing them.

**Philip Davies:** I am grateful to my hon. Friend for once again reassuring me about the merits of his Bill, and that the safeguards are in place. I am sure he would agree, however, that it is important to tease out the full extent of its implications. When we have consensus on a Bill—and it seems that we have consensus on this Bill's merits—certain things can slip through that were not intended when it was originally drafted. As my hon. Friend the Member for Christchurch said, given that we have time to discuss the Bill's merits, it is important to make our points clear.

**Mr. Chope:** Does my hon. Friend agree that to say that something is going to be subject to an affirmative order is not the same as saying that it is like a piece of ordinary legislation, because we will not be able to amend it?

**Philip Davies:** My hon. Friend has been in Parliament much longer than I have and knows all the tricks of the trade that Governments can use. Something that sounds reassuring at a superficial level may not be so in reality. I am grateful to him for reminding me of the dangers that he has outlined.

I would like the Minister to address another aspect of amendment No. 3. When we discussed that before, the then Economic Secretary to the Treasury, now Secretary of State for Children, Schools and Families, said that the mutual insurers had to be left out of the Bill because of the possibility of contravening EU law. He said:

"We have considered whether the Bill could be extended to cover companies limited by guarantee that are also insurers, but because insurance is regulated on a Europe-wide basis, we would have to allow the same procedures to apply where the transfer is to a subsidiary of the body corporate in another member state which is similar to a company limited by a guarantee...For that reason, and despite our efforts, we were not able to include mutual insurers in" [*Official Report*, 27 April 2007; Vol. 459, c. 1156.]

the new clause in Committee. Given that that was turned on its head when Lord Evans said that the amendment

"is wide enough to encompass mutual insurers and, by permitting transfers under the new provisions to a mutual society established in any EEA state, it ensures that there will be no breach of EC law" [*Official Report, House of Lords*, 10 July 2007; Vol. 693, c. 1356.],

it would be helpful for the Minister to explain how we have gone from the stage of something being specifically ruled out, because it would breach EU law, to the stage that we are at now, where something is going to be incorporated to ensure that it complies with EU law. That strikes me as a sharp turnaround in a short space of time. What assurances can she give that the legal opinion on which the amendment is based will not be subject to challenge and will be watertight for the future? I am not a lawyer, and my hon. Friend the Member for Christchurch knows much more about such things than I do, but if we can have a turnaround in a legal opinion in such a short time, I am not convinced that there cannot be a further turnaround in future.

We have not discussed amendments Nos. 4 and 5 very much, but it seems that they are necessary to comply with EU law. Perhaps the Minister can clarify that. Without them, a mutual in another EEA state would have to establish a UK company subsidiary to benefit from the changes, which might place it at a disadvantage. The changes would ensure that UK and EEA mutual societies were treated equally. The amendments' purpose is not to benefit UK mutual societies in particular, but to benefit mutual societies in other EEA member states.

**Lembit Öpik:** There is a potential slight contradiction between the hon. Gentleman's comments and those of some his colleagues. They see the benefit of harmonisation of regulation across Europe, but he is concerned about that. Surely we would all benefit from a degree of harmonisation to ensure that we at least understand the terms. When a potential linkage or merger between a British-based financial institution and one based elsewhere in Europe is considered, some of the uncertainties and subjective determinations would at least be clarified.

**Philip Davies:** The hon. Gentleman makes a good point. He may well be right that that would be a good thing and make sense, but why do we need the amendments? Will the benefits be felt by mutual societies in other EEA countries rather than mutuals here? What will be the consequences in practical terms?

Amendment No. 6 provides for the Financial Services Authority to charge fees for any functions conferred on it by the Bill. It is an eminently sensible addition. It would be perverse should the FSA be out of pocket as a result of the changes. I welcome the amendment. Perhaps the Minister will explain whether that would cover not just the costs of the work in front of the FSA at the time, but the costs of the extra staff that it may have to employ to deal with the additional workload. Lord Evans acknowledged that that would

"result in additional work and, therefore, costs for the FSA". [*Official Report, House of Lords*, 10 July 2007; Vol. 693, c. 1360.]

Presumably, that means that if it is providing additional work, we need additional staff to cope with it. I hope that the fees charged on that basis will cover those additional costs for the FSA as well as the costs incurred at the time when such things are being debated. I welcome the amendment if it means that the fee-charging powers would be extended in that way.

When I was talking about amendment No. 3, I forgot to mention an important point about its definition of an EEA mutual society. Will the Minister tell the House how many mutuals across the EEA will be brought under the scope of the Bill as a result of the amendments? What are the practicalities of that? Can she outline what the Treasury envisages happening as a result of the provisions, and which mutual societies it has in mind?

I welcome the Bill. Some of the amendments are absolutely necessary, but I share some of the concerns expressed by my hon. Friend the Member for Christchurch, especially about amendment No. 1. I look forward to the Minister addressing all the concerns that have been raised this morning.

**Kitty Ussher:** I am extremely positively encouraged by Opposition Members' forensic scrutiny of the Bill during today's debate. I am grateful to the hon. Member for Bournemouth, West (Sir John Butterfill) for presenting the Bill and congratulate him on its success; it is a credit not only to him but also to the plethora of outside organisations, which I support, with which he has been working. The measure will lead to long-lived improvements in our economy.

I reassure Opposition Members that there are no scary and subterfugeal attempts to achieve anything from the amendments that is not blindingly obvious. I shall use the few moments available to me to—

**Mr. Simon Burns** (West Chelmsford) (Con): We have three hours.

**Kitty Ussher:** In the few moments that I intend to use, given the 32 Bills listed for debate during the next couple of hours, I shall briefly set out our understanding of the amendments and respond to specific points that have been made.

The amendments fulfil the commitment given in the House to extend the Bill to mutual insurers, which answers one of the main points made by the hon.

Member for Shipley (Philip Davies). The Government continue to be appreciative of the support from all those involved in developing the Bill and look forward to implementing its provisions for the benefit of the mutual sector. We shall of course support the amendments, given that we introduced them, with consultation and co-ordination, in the other place. I hope that both sides of the House will be able to support them, too.

Clauses 3 and 4 will make it easier for one type of mutual society to transfer to the ownership of another type of mutual society as a subsidiary company while retaining the important elements of mutuality; for example, individual members transferring to the subsidiary company may be given voting rights in the holding mutual society. Mutual insurers and certain European mutuals will be included as a result of the amendments made in Committee in the other place on 10 July. I shall explain how they fit into the Bill as it left this place.

11.45 am

Clause 3 concerns transfers to subsidiaries of other mutuals. Amendment No. 1 ensures that any order made under clause 3, which may have effects peculiar to a particular mutual, will not be dealt with under the hybrid instrument procedure, as has been much discussed this morning. As a result of the addition of the words "EEA mutual society" to clause 3—in amendment No. 2—it is possible that an order made under the clause could impose requirements on a mutual insurer or other EEA mutual society acquiring a UK mutual. That could include, for example, a requirement to give transferring members full membership rights in the holding mutual. If the holding mutual has a unique legal form, that may raise a procedural question of hybridity, as we have discussed.

The hon. Member for Shipley asked which amendments would comply with EU law. Amendments Nos. 2 to 5 fulfil the dual purpose of extending the scope of the Bill to mutual insurers, as we decided we wanted to do following the comments of my predecessor that the hon. Gentleman quoted, and thereby complying fully with EU law. Amendments Nos. 1 and 6 are necessary as a result of amendments Nos. 2 to 5. I hope that is clear.

The hybridity provision will ensure that the hybrid instrument procedure of the other place would not apply in the situation I described. It is a standard provision to exclude the hybrid instrument procedure, which will reduce complication and delay in making an order under clause 3. We have had considerable discussion as to whether that is a good thing and in that regard I shall refer to the letter that I think the hon. Member for Christchurch (Mr. Chope) was looking for—perhaps he would like to wave it at me—which makes it entirely clear that if one of the affected companies has a unique legal form, for example if it had been established by a private Act of Parliament, the provisions that we may or may not introduce as a result of the Bill could raise a technical question of hybridity. I believe that it really is a technical question. The important point is that the amendment is merely a precaution.

I shall be completely honest with the House: at this stage we do not know how this part of the Bill should be implemented. My firm view—and, I believe, the view of the hon. Member for Bournemouth, West—is that it is better to have proper democratic consultation on the specifics of how we can fulfil our aims under the Bill, and to look at all possible options, rather than to exclude, by not having the hybridity amendment, one of the possible options that we may subsequently decide to pursue. No decisions have been taken on the implementation of the Bill. We shall consider and consult on the various ways of implementing clause 3, to achieve the aims of the Bill while protecting mutuals and their members, so including the hybridity provision is mainly a precaution. Our consultation will be extremely democratic.

**Mr. Chope:** This is the first time I have had the privilege of hearing the Minister speak in her new role. She is obviously very much on top of the issue, and as someone who has much experience of the City of London she will be familiar with the concept of a blank cheque. Is she not asking us, in effect, to sign a blank cheque today? In light of what she has just said, might it not be better for the Bill not to make progress so that the consultations she describes can take place? The Government could then legislate on the matter, in their time, in the coming Session.

**Kitty Ussher:** No, I do not agree with that. I do not feel that it is a blank cheque. I genuinely feel that technical issues may arise if we choose to implement the Bill in a certain way. We have not decided how to implement it yet, and hon. Members of all parties and representative interest groups can respond to the consultation with arguments that include the question of hybridity if they would like to. When we finally put forward our proposals, we will do so through the affirmative resolution procedure, and those issues can be discussed in that forum. I genuinely believe that that is a sensible way to proceed; it is not a way to stifle debate.

**Philip Davies:** I would like to pick up on something that the Minister said earlier. She said that amendments Nos. 2 to 5 were required to comply with EU law. Much as I dislike having to pass laws to comply with EU law, I understand the need to do so under our current arrangements, but she said that amendments Nos. 1 and 6 were necessary as a result of those amendments. Would she clarify that point? I understood that amendment No. 1 is not necessary to comply with amendments Nos. 2 to 5. I understand why amendment No. 6 is necessary as a result of the other amendments, but not amendment No. 1. Is it not the case that the Bill could progress with all the amendments apart from amendment No. 1?

**Kitty Ussher:** That is not my understanding. The amendments address the specific point that my predecessor made in Committee: if one wants to extend the Bill to mutual insurers, there is a corresponding issue of ensuring that the provision is not challenged under EU law, which I think is right and proper. I am simply telling the hon. Gentleman of what I have been technically advised.

**Mr. Chope:** Will the Minister give way?

**Kitty Ussher:** I am aware that the hon. Gentleman has had a substantial opportunity to contribute. I shall take one more intervention.

**Mr. Chope:** I am grateful to the hon. Lady for accepting this final intervention. She referred to the precautionary principle, but since when has the precautionary principle been used by the Government to exclude individual rights, at a time when, by the Government's own admission, they do not know how the Bill will be implemented or how those rights might be adversely affected?

**Kitty Ussher:** I do not believe that I am excluding rights by addressing the point of hybridity at this point during the passage of the Bill. It is a correction of a potential technical anomaly that may become necessary later on as we consult and work together to ensure that the Bill is implemented in the right way.

Amendments Nos. 2 and 3 widen the definition of mutual society in clause 3 by inserting a definition of EEA mutual. There has been some discussion of that. An EEA mutual can be a European co-operative society, a co-operative society established in any European economic area state or any other type of co-operative or mutual body as specified by the Treasury in secondary legislation. That will ensure that any changes made under the Bill apply where the transfer is to a subsidiary of an EEA mutual, as well as where the transfer is to a subsidiary of another UK mutual. That incorporates the conversations we had this morning on proposed paragraph (c) in amendment No. 3, and the way in which it would be considered by Parliament.

In response to the Conservative Front-Bench spokesperson, I can clarify that primary legislation is considered under the affirmative resolution procedure. However, the power in proposed paragraph (c) in amendment No. 3 is subject to the negative resolution procedure, because it simply allows the Treasury to specify other co-operatives or mutuals, including those in other EEA states, to which a UK mutual may transfer. It may need to be exercised at short notice—for example, to specify a new kind of EEA mutual in a potential and live takeover situation. We believe that the negative resolution procedure is appropriate in that case. The power cannot be used to amend primary legislation, where of course it is right and proper that any such changes should be subject to the affirmative procedure.

**Mr. Hoban:** I am grateful to the Minister for that clarification. She listed the three types of EEA mutual. With regard to what we discussed earlier, can she tell me whether that means that non-financial EEA mutuals can merge with a financial UK mutual?

**Kitty Ussher:** I presume the hon. Gentleman is going back to the wine example. It is not for me to specify which sectors should be pursuing alliances with other types of sectors. It is theoretically possible that the situation he describes may happen, but that does not cause me any concern at all.

**Mr. Hoban:** To clarify, a UK non-financial mutual, which by definition is an EEA mutual, could merge with a UK financial mutual, notwithstanding the provisions in the Bill after it left this House.

**Kitty Ussher:** That is my understanding. The changes will allow mutuals in other EEA states to take over UK mutuals on the same basis that other UK mutuals may take them over. Only EEA mutuals specified in the Bill or an order made under it may benefit in that way. To reiterate, it is a matter for the bodies concerned to decide whether a particular takeover is appropriate.

**Mr. Hoban:** Clause 3(9) specifies three types of UK financial mutual that could merge with other UK financial mutuals. I think that the Economic Secretary said that a UK non-financial mutual or a financial mutual that falls outside subsection (9) could merge with another financial mutual. That means that, for example, a credit union in the UK as an EEA mutual could merge with a friendly society, building society or mutual insurer. That runs counter to what was said on Second Reading.

**Kitty Ussher:** My understanding is that the purpose of the proposal is simply to create a level playing field. A foreign or UK credit union could in theory acquire a UK mutual. As they are small bodies, credit unions are probably unlikely to do that, but it is possible.

**Lembit Öpik:** Does the Economic Secretary feel, like me, that we are considering a moot point? If a UK financial mutual wished to merge with a Bratwurst-making co-operative in Germany, a pizza-making co-operative in Italy or a herring-pickling co-operative in Estonia, that would be a matter for them. Nevertheless, the insurance policy is the good business sense of the UK financial institution, plus the necessary requirement for authorisation from its members. Although we can theoretically play games, in practice it is not an issue.

**Kitty Ussher:** I agree. It is not for the Government to start delving deep into the decisions that essentially private organisations may wish to make.

Lords amendments Nos. 4 and 5 would introduce the term "relevant company" into clause 3. That ensures that a mutual society's business can be transferred under the modified procedures to a UK company or a body incorporated in any other EEA state, provided that that company or body is controlled by another mutual society.

Lords amendment No. 6 ensures that the Financial Services Authority has the power to charge fees for any functions that the Bill confers on it, extending the FSA's existing powers to charge fees under the Financial Services and Markets Act 2000. The extension of clause 3 to EEA mutuals will require certain safeguards, equivalent to those that apply to domestic mutuals for membership rights in the holding mutual and further demutualisation. That answers some of the points that were raised. The FSA may have a role in that and, if additional functions are conferred on it in the order that implements the Bill, it may need to charge fees in connection with them. If the FSA exercises its power to charge fees, that could result in costs for businesses that wish to take advantage of the new procedures. However, any such fees would be paid directly to the FSA and would not exceed the FSA's costs in the transaction in question.

I was probed slightly further on the power to charge fees, so I shall clarify the matter. Officials in the Department have discussed the principle of fees with the FSA. We will have further discussions at the time of consulting on and making the order. As I said, the FSA's power to charge fees is in the Financial Services and Markets Act 2000. The amendments widen the power to cover costs relating to the new functions conferred under the Bill. The FSA could charge only its costs for ensuring that adequate safeguards are in place. That seems entirely sensible.

**Mr. Chope:** Will the Economic Secretary give way?

**Kitty Ussher:** I said that I would not give way again, so I shall stick to that. I apologise.

I am delighted to commend the Lords amendments to the House.

**Sir John Butterfill:** I am happy with the Economic Secretary's reply. She has explained clearly and comprehensively the points that have been raised.

**Mr. Chope:** I was disappointed that, given the time available, the Economic Secretary was not prepared to take my other intervention. If the Bill goes through today, when will it be implemented? It sounds as though there is a long timetable. Has my hon. Friend any idea how long the process will take?

**Sir John Butterfill:** The last discussions that I had in the Treasury suggested the consultation would take some months, but I cannot be any clearer than that.

*Lords amendment agreed to.*

*Lords amendments Nos. 2 to 6 agreed to.*

**Clause 4**

TRANSFERS TO SUBSIDIARIES: DISTRIBUTION OF FUNDS

*Lords amendment*: No. 7.

12 pm

**Sir John Butterfill:** I beg to move, That this House agrees with the Lords in the said amendment.

The Channel Islands and the Isle of Man were not included within the scope of the original Bill. It is my understanding that it is usual for us to consult them before making legislation that would affect them. It is also my understanding that they have indicated that they would like to be included within the legislation, but no doubt the Minister will able to confirm that. I can see no reason why the Channel Islands and the Isle of Man should be excluded. If the rest of the EEA is included—they are, of course, outside the EU—they should, as part of the United Kingdom, be included.

**Lembit Öpik:** I feel duty bound to ask whether the amendment, if passed, would make it more difficult for a financial mutual in the United Kingdom to enter into a merger agreement with a kipper-making co-operative on the Isle of Man.

**Sir John Butterfill:** I doubt it, is the answer. We have heard all sorts of strange suggestions as to who might merge with whom. All such mergers would require approval by the Treasury and the FSA. I am reassured that they are sensible enough to make sensible decisions.

**Mr. Chope:** Can my hon. Friend tell us when he first approached the Channel Islands and Isle of Man authorities to find out whether they wanted to be included in the Bill and why it was not apparent at the outset, when he first launched it, that they wished to be included?

**Sir John Butterfill:** I did not approach them myself—I understand that they were approached by the Treasury and asked to be included, but perhaps the Minister could confirm that.

**Mr. Chope:** Few people would wish to quibble with Lords amendment No. 7. However, I hope that the Minister will both respond to my question about how it came about that those authorities wanted to be included in the Bill at such a late stage and say what she sees as the implications of that. We quite often hear complaints in the House that a different regulatory regime operates in, for example, the Channel Islands or the Isle of Man from that which Parliament imposes here, and that that regulatory regime is often less protective of consumer interests. For example, the other day I attended a breakfast at which the issue of health supplements was raised in that context. Concern was expressed that the Channel Islands' regime for regulating health supplements was rather different from that which applied in the UK. What guarantees can the Minister give that the implications of extending the Bill to the Channel Islands and the Isle of Man are compatible with being able to look after the best interests of individual investors or members of mutual organisations?

**Philip Davies:** I, too, would like to raise a query that I hope the Minister can address. Lords amendment No. 7 says:

"Her Majesty may by Order in Council provide for any of the provisions of this Act to extend, with or without modifications, to any of the Channel Islands or to the Isle of Man."

I suspect that that is standard wording for a Bill of this nature. However, I understand that not all the current legislation covering mutuals is so extended to cover the Channel Islands and the Isle of Man. I wonder whether the Minister could touch on which legislation is and which is not, and what implications that might have, as I understand that all previous legislation at least has the capacity to include the Channel Islands and the Isle of Man. Perhaps the Minister could therefore clarify whether the amendment would, as a matter of course, apply to the Channel Islands and the Isle of Man or whether it just means that it could apply them, should they so wish at a future date.

**Kitty Ussher:** I shall be happy to provide that clarification. My understanding is that the drafters of the Bill had not spotted the fact that other, similar types of legislation applied to the Channel Islands and the Isle of Man. When the Bill was being discussed in the House, during its earlier stages, there was not time to make the necessary consultations. We have a policy not to introduce such permissive extent clauses without consulting those involved—in this case, the islands—first. That has now happened and I am happy to confirm that they are content with being included, hence the amendment. I hope that that will answer the point raised by the hon. Member for Bournemouth, West (Sir John Butterfill).

*[Kitty Ussher]*

I also understand that the Industrial and Provident Societies Act 1965 applies to the Channel Islands, and that there are powers to apply the Friendly Societies Act 1992 to the islands and the Isle of Man, which have not been fully used.

**Mr. Burns:** Does the Minister anticipate that Orders in Council will be issued at some point?

**Kitty Ussher:** My understanding is that this measure will make that possible, but I am not in a position to say whether it will actually happen. However, everyone is happy with the situation.

**Mr. Burns:** Given that the Minister has told us that discussions have taken place with the Channel Islands and, possibly, the Isle of Man, can she tell us whether this point was ever raised either by the Government with them, or by them with the Government?

**Kitty Ussher:** I know that the islands' authorities were consulted and were content with the proposed amendment. I shall be happy to provide further details at a later stage if the hon. Gentleman considers that necessary.

**Mr. Chope:** Will the Minister give way?

**Kitty Ussher:** I will give the hon. Gentleman one last go.

**Mr. Chope:** Bearing in mind the uncertainty about the timetable, will the Minister tell us whether it will be possible for the Channel Islands and the Isle of Man to implement the provisions of the Bill before the United Kingdom Government implement them?

**Kitty Ussher:** I am not sure whether that would be possible, but I can see no difficulties arising if it were to happen.

**Mr. Burns:** Will the Minister give way on that point?

**Kitty Ussher:** The hon. Gentleman is being extremely persistent. I will take one further intervention.

**Mr. Burns:** I am grateful. I was most interested to hear the Minister's response to my hon. Friend the Member for Christchurch (Mr. Chope). Surely neither the Channel Islands nor the Isle of Man could implement the legislation before the British Government had done so, because it would be the British Government's implementation of the different phases of the legislation that would trigger any subsequent actions that might flow from it.

**Kitty Ussher:** I apologise for not being a world expert on the legal situation relating to the Channel Islands and the Isle of Man. I shall clarify the situation. The amendment will allow the Bill to be extended to the islands. It will be used only if the relevant mutuals legislation is extended, and it will then affect only those mutuals established in the Channel Islands and the Isle of Man. No time frame has been agreed at the moment; that will be sorted out during the consultation period. I must also apologise to the House and clarify that the Isle of Man could not implement the provisions before we had done so.

I commend Lords amendment No. 7 to the House.

*Lords amendment agreed to.*

# Crown Employment (Nationality) Bill

*Not amended in the Committee, considered.*

## New Clause 1

APPEALS

'(1) A person who is ineligible to be employed or hold office in a civil capacity under the Crown by reason of the rules made under section 2 ("the rules") may appeal to a Crown Employment (Nationality) Rules Tribunal ("the Tribunal") for an exemption from the rules.

(2) In determining an appeal the Tribunal may recommend to a Minister of the Crown (or any person or body to whom the power has been delegated under section 2(3)) that an exemption to the rules be made.

(3) The Secretary of State shall make regulations with respect to the composition, conduct and operation of the Tribunal.

(4) The Secretary of State may not make regulations under this section unless a draft of the regulations has been laid before and approved by a resolution of each House of Parliament.

(5) The power to make regulations under this section is exercisable by statutory instrument.'.—*[Mr. Chope.]*

*Brought up and read the First time.*

12.8 pm

**Mr. Christopher Chope** (Christchurch) (Con): I beg to move, That the clause be read a Second time.

Before introducing the new clause, which is tabled in my name and that of my right hon. Friend the Member for East Yorkshire (Mr. Knight) and of my hon. Friend the Member for Shipley (Philip Davies), may I apologise to the promoter of the Bill on behalf of my right hon. Friend the Member for East Yorkshire for his absence from the House today? My right hon. Friend was particularly keen to be here because he has always had a lot of respect for the hon. Member for Hendon (Mr. Dismore). He was able to participate in a debate on an almost identical new clause some three years ago, but today he was faced with a dilemma, as a big constituency event about the future of Bridlington hospital is taking place and he felt that he should attend it. The Government have proposals to reduce the activities of that hospital, which is—

**Madam Deputy Speaker (Sylvia Heal):** Order. It is sufficient that the hon. Gentleman has given his right hon. Friend's apologies to the House.

**Mr. Chope:** Madam Deputy Speaker, my right hon. Friend particularly asked me to say that because the mother of the hon. Member for Hendon lives in his constituency in Bridlington, and he thought that he was serving the family—

**Madam Deputy Speaker:** Order. I have already ruled on this point.

**Mr. Chope:** I am sure that my right hon. Friend will be satisfied with what I have tried to do on his behalf.

The new clause has a history. It was debated some three years and four days ago on 15 October 2004. It was drafted by my late and much lamented friend, Eric Forth, who was unable to promote it at that time because he was called away, shall we say, to parliamentary business in the Maldive islands. He therefore left it to my right hon. Friend the Member for East Yorkshire, myself and others to carry the torch on his behalf on that occasion. In case there should be any doubt about plagiarism, I admit that the drafting of the new clause is not my own doing, but that of my late former right hon. Friend, Eric Forth.

The fact that the new clause has once again been selected for debate shows how it has stood the test of time and relevance. It is important because it also illustrates a sense of fair play and the desire to ensure the rights and freedoms of individuals. That was always right at the top of my late right hon. Friend's agenda. He wanted Parliament to be able to do that on behalf of the people.

The purpose and effect of the new clause is to provide a counterweight to clause 2. As drafted, the clause gives "a Minister" or

"any person or body to whom that power has been delegated"

the power to impose "new nationality requirements" on those seeking employment or office in any

"civil capacity under the Crown".

The new clause would give anyone aggrieved by the impact of the new nationality requirements the right to appeal to a tribunal for an exemption. That is why it is important to reflect on the new clause today. It involves the setting up of a tribunal and a right to appeal to it. It does not give the tribunal the right to impose its will on the Government; rather, it has an opportunity to make recommendations. It is not an absolute right of appeal, but a modest way of taking some steam out of what may be a bit of a cauldron for individuals who fall foul of the provisions in clause 2.

**Philip Davies** (Shipley) (Con): My hon. Friend rightly says that the new clause would give the tribunal powers only to recommend to a Minister of the Crown that an exemption should be made. Does he agree that in all likelihood it would be quite extraordinary for a Minister to ignore the tribunal's findings.

**Mr. Chope:** I accept what my hon. Friend says. The House would be able to put pressure on a Minister if he tried to wriggle out and not accept the tribunal's recommendations. The Minister would have the opportunity to come before the House and set out why he did not agree with the tribunal's reasoning in making the recommendation. It is a necessary safeguard.

12.15 pm

**Philip Davies:** In that case, what circumstances can my hon. Friend envisage in which a Minister might wish to overrule the tribunal?

**Mr. Chope:** All that I can say to my hon. Friend is that when I had the privilege of being a Minister, albeit a junior one, in a Conservative Government, we always took seriously the rulings and recommendations of appeal bodies. Being a fair-minded person, I would like to think that the present Government, for all their faults—I am delighted to see the Parliamentary Secretary to the Cabinet Office, the hon. Member for Lincoln (Gillian Merron), on the Front Bench—would be minded to accept the recommendations of a tribunal. My hon. Friend tempts me to make a party political point, but I will not do so on this occasion.

**Mr. Simon Burns** (West Chelmsford) (Con): My hon. Friend will notice that in relation to clause 2, with which his new clause would deal, the explanatory notes say:

"Any rules made under this power would have to comply with the requirements both of the European Communities and of the European Convention on Human Rights."

It would be interesting to know whether they "will", rather than "would", comply. Does my hon. Friend agree that his new clause, in introducing an appeal system, would increase the likelihood of compliance?

**Mr. Chope:** My hon. Friend is on to a good point, because it is important, when considering human rights and individual freedoms, for people to have a means of redress if they feel aggrieved. The new clause would enable some right of redress if a person felt aggrieved. In the absence of the new clause, a sufficiently accessible right of redress will not be available.

**Mr. Burns:** In the light of that, is my hon. Friend as surprised as me that the Bill's promoter did not have the foresight to include that protection when drafting it?

**Mr. Chope:** There hangs a story. When I and others spoke to the new clause some three years ago in this place, it was pointed out that the hon. Member for Hendon had had the opportunity to see the new clause for some considerable time; as I recall, the new clause was tabled in July, and the debate did not take place until October. He therefore had the opportunity to do something about it. In fairness to him, however, he was in a slight dilemma, because he said in that debate that he was neutral about the new clause. It then became apparent that the Government were—to put it mildly—hostile. I suspect that, because he is an ambitious and realistic person, he decided that it would be better not to promote a new clause to which he had heard previously that the Government were hostile. I do not know what his attitude will be today, as I have not had the chance to talk to him about it.

**Mr. Burns:** Given that that was three years ago, many reshuffles have occurred since and the hon. Gentleman has not found preferment, perhaps he will revert to his natural inclinations now, as it would not affect his career one way or another?

**Madam Deputy Speaker:** Order. Perhaps the hon. Member for Christchurch (Mr. Chope) will confine his remarks to the new clause that he is promoting.

**Mr. Chope:** Certainly, Madam Deputy Speaker. The issue raised by my hon. Friend the Member for West Chelmsford (Mr. Burns) relates to whether the new clause is likely to find favour with the promoter of the Bill. I am in the dark on that matter, and we will have to wait and see what the hon. Member for Hendon has to say.

Three years ago, the new clause was welcomed by my hon. Friend the Member for Beaconsfield (Mr. Grieve), who was then on the Front Bench. I hope that it will be welcomed equally by my hon. Friend the Member for Tunbridge Wells (Greg Clark), whom I am delighted to see on the Front Bench today.

**Philip Davies:** May I drag my hon. Friend back to something that he said earlier? I was intrigued by his observation that the Government of the day—I was not an MP at the time—were hostile to the new clause. Given its rather benign nature and the modest proposals that it contains, will my hon. Friend explain what the objections were?

**Mr. Chope:** I shall come to that shortly. I am afraid that my hon. Friend will have to wait expectantly for me to remind the House of what happened on that occasion. But, as I have said, my hon. Friend the Member for Beaconsfield was supportive of, indeed enthusiastic, about the new clause, which he considered to be a necessary safeguard for those who might be disadvantaged by clause 2.

**Andrew Stunell** (Hazel Grove) (LD): Would such a person be an individual who had, say, been excluded from the process of application for a job, or does the hon. Gentleman think that a class of people might be disadvantaged? If it were a class of people, would he have United Kingdom citizens in mind?

**Mr. Chope:** I did not have a class of people such as United Kingdom citizens in mind, although the hon. Gentleman has raised an interesting point. I had in mind particular individuals who found themselves counted out as a result of the operation of the discretionary procedures in clause 2. I had in mind an individual, which raises the issue of how practical it is for an individual to seek redress unless we insert something rather like the tribunal procedure in the new clause. The hon. Gentleman, however, has raised a much wider issue—which goes beyond the terms of my new clause—about the Bill's impact on United Kingdom citizens in general rather than individual aliens, or foreigners, who might be disadvantaged by clause 2.

My hon. Friend the Member for Beaconsfield expressed the fear that expectations would be raised among the foreign population of this country about the ability to apply for civil service jobs. He feared that when people examined the details, they would find that they were being blocked by a new set of potentially complex Government rules. They might be excluded because of their nationality, which the Government might regard as undesirable or prejudicial to their ability to act impartially or be loyal to the Crown. But—as I think many Members accept—the fact that someone in this country has a particular nationality does not necessarily mean that he supports the Government of the country of which he is a national. Indeed, the reverse often applies: a person may have come here from Sudan, Burma or—especially in the current context—Zimbabwe precisely because he despises and loathes his own country's current regime. The fact that a person is a national of a country—North Korea or Iran, for example—that is on a blacklist should not of itself automatically put them at a disadvantage because the Government regard any national of that country as being a potential threat to our national security.

**Derek Conway** (Old Bexley and Sidcup) (Con): I have secured today's Adjournment debate and I have been following my hon. Friend's remarks in my

office—I hope he will forgive me for not having followed them from the outset. He is setting out the difficulty that people—particularly those foreign to our country—will have in understanding the proposed legislation and its intent. The Bill is accompanied by helpful explanatory notes, however, but although we can follow the content and purpose of the Bill with the aid of those notes, I am finding it difficult to follow my hon. Friend's arguments closely as all we have to help us is his new clause on the Order Paper—we do not have any explanatory notes on it. Such notes can be circulated in scrutiny Committees, and I wonder whether my hon. Friend might—if not during this debate, then subsequently—consider whether it might be helpful to the House, especially on private business days, to have explanatory notes on amendments and new clauses circulated.

**Madam Deputy Speaker:** Order. I hope that the hon. Member for Christchurch will confine his remarks to the new clause and its contents.

**Mr. Chope:** Certainly; that has always been my intention. I do not think it is necessary for us to have written documents explaining what the new clause is about, as the House has the benefit of my presence to explain it.

**Mr. Burns:** As we have the benefit of my hon. Friend explaining things, will he explain proposed new subsection (3)? It states:

"The Secretary of State shall make regulations with respect to the composition, conduct and operation of the Tribunal."

There were problems—in the late 1990s, for example—with regard to the composition of public bodies, which led to the setting up of the independent Appointments Commission. Why does my hon. Friend want the Secretary of State to make the regulations—presumably that would give the Secretary of State the powers to appoint the members of the tribunal—or does he intend that the regulations should specify that the appointments should be made by the AC, so as to avoid any accusations of packing public bodies by one political party or another?

**Mr. Chope:** My hon. Friend makes a fair and pertinent point. In considering whether to adopt the wording that our late lamented friend, Eric Forth, former Member for Bromley and Chislehurst, proposed, I faced the following dilemma: if we were to try to incorporate the point that my hon. Friend the Member for West Chelmsford (Mr. Burns) makes, that would make it less likely that such a new clause would be acceptable to the Government. Sometimes in legislation, perfection can be the enemy of the good.

**Mr. Burns:** This Government have repeatedly said that they want there to be independent appointments, particularly following the furore over the packing of appointees to NHS public bodies in the late 1990s, so they might not be as averse as my hon. Friend thinks to making such bodies independent, in order that it is seen that they are whiter than white.

**Mr. Chope:** I hope that the Government have taken that point on board. As my hon. Friend knows, under proposed new subsection (3) it would be for the Secretary of State to make the regulations, and they would be all the better if they were to incorporate all the points my hon. Friend rightly raises.

**Derek Conway:** I do not wish to belabour the contribution of my hon. Friend the Member for Christchurch; he was clearly trying to be helpful to the Government. However, to pick up on the point that my hon. Friend the Member for West Chelmsford (Mr. Burns) raises on subsection (3), my hon. Friend the Member for Christchurch has included the word "conduct" in it. Is he aware that some tribunal chairmen tend to feel that they are High Court judges and often try to go much further than the legislation allows them? Has my hon. Friend used the term "conduct" in order to mean that the Secretary of State would have a mind to what training those chairmen have and that they understand the limits of the powers Parliament has given them—or does he have a different intention?

**Mr. Chope:** I accept the criticism that the word is vague. However, as I said, the Secretary of State would ultimately interpret what we meant by "conduct". In the light of the previous debate, it seems that there is a good precedent, at this stage of a Bill, for the Government not really to know what that means. The issue of what we mean by "conduct" would ultimately have to be decided by the Secretary of State in regulations.

12.30 pm

**Mr. Burns:** May I help my hon. Friend? As he drafted the new clause, he will have noticed that under proposed new subsection (4), the regulations that will lay out the composition, conduct and operations of the tribunal will be subject to affirmative resolution, so will have to be scrutinised by this House and another place. Furthermore, the Secretary of State will have to make draft regulations first. There is a problem: regulations in statutory instruments cannot be amended. However, if the Secretary of State produced draft—

**Madam Deputy Speaker:** Order. This intervention is taking far too long.

**Mr. Chope:** What my hon. Friend is saying, I think—if I can encapsulate his remarks—is that he would like the Secretary of State to make the draft regulations before the statutory instrument came to this House. Although it is not spelt out in the new clause, I certainly hope that the Government would adopt that practice. If we have the opportunity to see draft regulations in advance, there will be the opportunity for consultation on them. Such regulations might be important and far-reaching. Issues might arise about the potential cost of the regulations; that is why we would want to see whether there was a regulatory impact assessment and cost-benefit assessment when they were brought forward in draft. In that way, we could have the fullest debate about them before they came into operation.

I am sorry that my hon. Friend the Member for Old Bexley and Sidcup (Derek Conway) was not in the Chamber at the outset of my remarks. I should say to him that the whole purpose of the new clause is to

*[Mr. Chope]*

introduce the appeal procedure so that an individual—we are talking about individuals, rather than groups—

"who is ineligible to be employed or hold office...by reason of the rules made under section 2...may appeal".

That is important because a national of another country may be one of our country's strongest supporters. There are many examples of that; we may find that the Government have inadvertently put lots of really strong supporters of the United Kingdom—who might even support England in the big match this weekend—on the wrong side of section 2.

**Mr. Burns:** My hon. Friend raises an interesting point. He seeks to establish justice through an appeal, but I am concerned about proposed new subsection (2), which states:

"In determining an appeal the Tribunal may recommend to a Minister...that an exemption to the rules be made."

Does that recommendation add any weight towards making the Minister make such an exemption, or will it be up to the Minister's discretion whether to accept the tribunal's recommendation?

**Mr. Chope:** I am bound, in a sense, by the text of my own new clause and, as it is drafted, the tribunal could make only a recommendation, which—given the meaning of the word "recommendation"—the Government could accept or reject. However, if we set up the tribunal properly, with the right people who command respect from all sides of the debate, and if they are properly advised, take proper evidence and go into the necessary detail of individual cases, I would hope that any recommendation would be so compelling that it would be almost impossible for a Government reasonably to reject it.

**Mr. Burns:** I am not altogether sure that my hon. Friend, unusually, fully understands how this Government operate. However, might there not be a way round this problem? Might not the Government be persuaded to say in the draft regulations, which will be subject to affirmative resolution, that they will accept all recommendations by a tribunal?

**Mr. Chope:** The Government could do that, and it might be a way of encouraging a better class of person to take on the role of tribunal member. It is quite often a bit demeaning for those involved in a quasi-judicial process to think that, having heard the appeal, their recommendation might not be accepted.

**Lembit Öpik** (Montgomeryshire) (LD): It is of course worth remembering that we are framing this legislation not for this Government but for any Government, so it has to be robust in all circumstances. Did the hon. Gentleman consider framing subsection (2) of his new clause on the basis of making the tribunal's recommendations binding? If so, was there a rationale for why he preferred instead the form of recommendation before us—accepting, of course, that ultimately, precedent rather than the letter of this legislation will determine the tribunal's efficacy in influencing ministerial decisions?

**Mr. Chope:** I would be being less than frank with the hon. Gentleman and the House if I did not point out that, in deciding whether to retain the wording in the original new clause, it had previously been accepted as being in order and relevant to this Bill. However and as we know, there was not even a quorum in the House when it had to take a decision on it. Rather than tinker with the previous wording, I thought I would be on safer ground in adopting it. Indeed, it is the wording of which the Government and the promoter had had notice on a previous occasion, and they must have been expecting that we would introduce a similar proposal this time. However, I accept that in an ideal world, it would have been open to people to table amendments to my new clause. However, there are no such amendments on the selection list, so we cannot discuss them today.

**Derek Conway:** I am sorry that we are pressing my hon. Friend on this issue—I hope that he is not offended by that. I am not quite sure who the "better class of person" is to whom he referred. Perhaps my hon. Friend the Member for West Chelmsford (Mr. Burns) is the better class of person whom he wants. May I press my hon. Friend the Member for Christchurch (Mr. Chope) on the point that my hon. Friend the Member for West Chelmsford raised? If a Minister declines to accept the tribunal's recommendation, what happens then? Would the members of the tribunal resign? Would there be another form of appeal? My hon. Friend will understand why the House would like to hear the detail on the consequences of Ministers' actions. As we know, Ministers do not always decide as we would like them to.

**Mr. Chope:** Exactly, and this is where human factors come into play. The most robust judicial figures in our land would probably say, "If we make a recommendation based on evidence after hearing all the parties and Ministers reject it, this is not a role on which we wish to spend our time. We do not want to waste our time hearing cases in detail, only to find that we are overruled."

If the Government were not to accept recommendations, the ablest people might, ironically, be deterred from continuing in service as members of the tribunal and their places might being taken by ciphers—people more interested in the role's salary than in the opportunity that the post would give to serve the interests of justice and promoting individual liberty.

**Mr. Burns:** That gets back to my original point to my hon. Friend: would it not be better for the independent appointments committee, rather than Ministers of the Crown, to appoints the members of these tribunals?

**Mr. Chope:** I accept that it would be better. I hope that the new clause will be accepted by the Government and by the House, and that the Government will, in due course, have the opportunity of implementing it on the basis of including a practice direction that they will always accept tribunal recommendations.

**Philip Davies:** Given my hon. Friend's answer to a previous intervention about the fact that if a tribunal had considered all the evidence in a robust and thorough manner and everybody could see that it was all above board, a Minister would be unlikely to reject

the recommendations, does he intend that the tribunal would take evidence in public and that its findings would be made public so that people could hold the Minister to account should he overrule the decision?

**Mr. Chope:** The issues of whether the tribunal would sit in public, whether the evidence and its decisions would be published and, if so, how, are dealt with in subsection (3) of the new clause. That provision refers to the

"conduct and operation of the Tribunal."

I would like tight prescription to be set out in regulations on that matter. In answer to my hon. Friend's specific point, I would like that prescription to ensure that proceedings were in public, so that justice could not only be done but be seen to be done.

**Philip Davies:** This is an important point because the way that clause 2, which the new clause seeks to amend, is drafted means that the provision would apply not only to a Minister overruling a tribunal but to any person or body to whom the power has been delegated. It may well be that it is not a Minister who overrules a tribunal's decision—it could be any unelected and unaccountable body—so it strikes me that it is even more important that the findings are public, so that we can all see where we stand.

**Mr. Chope:** Although my hon. Friend is right in saying that the decision coming before the tribunal to be tested may not be that of a Minister, but of someone else to whom the power had been delegated, the tribunal recommendation would, under the provisions of subsection (2) of the new clause, be a recommendation to the Minister rather than to the body that had made the original decision. The Minister would thus ultimately have full responsibility and accountability.

My hon. Friend is right to say that transparency is an essential part of accountability. I recall going to a court in Scotland when I was a law student. The case was quite a seamy one. My group was sitting in the public gallery, as the High Court judge knew, and it was not long before defending counsel suggested that the court should sit in camera. The lord justice in question, who recently died, sadly, put his feet up on the bench, not just metaphorically but literally, and said, "Justice must not only be done, but it must be seen to be done." He gave a big wink to all us students sitting in the public gallery.

I am very much in favour of this principle of transparency and openness. Normally, the only people who are against it are those who fear embarrassment. There is thus always a motive for the Government to be against it, but we pride ourselves on having an open, honest and fair judicial system in this country. I would hope that those principles would be replicated in the rules for the tribunals that would be made under the provisions of the new clause.

12.45 pm

**Derek Conway:** My hon. Friend's reminiscences about his days as a law student are very interesting, but I wish to press him again on the quality of the people who will be involved and their conduct. I recall once having to give evidence before an employment tribunal at which the chairman went way beyond the terms of reference. He was probably not up to the job, and the lawyers present had to remind him that he was going beyond the scope of the powers that Parliament had given him. Is my hon. Friend concerned about the sort of people who will be running the show? Not only might the Minister who makes the decisions be of varying quality, but so might the person giving advice on exemptions to the Minister not be of a very high calibre. The whole system could be a shambles. Does that worry my hon. Friend?

**Mr. Chope:** That is why it is important that the composition of a tribunal should be set out in the regulations and, preferably, be the subject of consultation in advance. I do not know whether my hon. Friend has appeared before an industrial tribunal, but in the days when I practised as a lawyer I used to do so. They comprised a chairman, who was normally legally qualified, a "representative" of the trade union movement and a representative of business. Often, one could see that those people were not working together as a collective. Instead, they saw their role as expressing their own sectional interests. If that were to happen in the tribunals that I propose today, I would be dismayed and disappointed because that is not how a fair tribunal should operate. All the people on the tribunal should be concerned only with ensuring that justice is done, and they should not be drawn from any particular sectional interests—in the same way we do not draw our judiciary from sectional interests and people do not have the right to choose the particular judge who will preside over their case. That principle also extends to juries. We have restricted people's right to choose a jury that they think will be sympathetic to them on some sexual or, dare one say, national or racial basis.

**Derek Conway:** My hon. Friend makes an important point. If an employer is about to appear before a tribunal and sees that the chairman has a beard, a copy of *The Guardian* and plastic shoes, he knows that he is probably in for a hiding. My hon. Friend makes a fair point about the quality of people before whom one might appear. Does he think that those who sit on tribunals should have no declared party political allegiance so that at least the petitioners can be assured of a fair hearing, rather a partisan hearing?

**Mr. Chope:** There is a difficulty with this. I am in favour of encouraging the maximum number of people to join political parties and participate in the political process. My hon. Friend refers to the laudable objective that everyone who sits on a tribunal should be without allegiance to a political party, but if the consequence of introducing such a rule would be to deter people from participating in the political process or joining a political party, it would be counter-productive. We have reached that situation already in some of the appointments in the NHS. Unless people are members of the political party that is in government, they feel, especially if the Minister is making the appointment, that they will be at a potential disadvantage. Often, people who have a party political interest—who have joined a political party and take an interest in public affairs and the welfare of our great nation—have an

*[Mr. Chope]*

important role to play, perhaps on tribunals like the ones we are talking about. They might be party political, but the important thing is that such people, whatever their views, are big enough to be able to suppress their prejudices when it comes to taking decisions—

**Derek Conway** *rose—*

**Mr. Chope:** I shall give way to my hon. Friend—

**Mr. Deputy Speaker (Sir Alan Haselhurst):** Order. I hope that the hon. Gentleman will give way to me. We are in danger of hearing an embellishment too far in terms of the new clause that is before the House. It would perhaps have been better if some of the issues that are now being raised had formed part of another amendment or new clause. I direct the House to have regard to the strict terms of the new clause that is being considered.

**Mr. Chope:** I am grateful to you for that ruling, Mr. Deputy Speaker. You will be aware of how physically exhausting it is to keep rising and sitting down again—

**Mr. Deputy Speaker:** Order. In which case, the hon. Gentleman will no doubt consider that that also applies to the Chair. Perhaps we will have mutual restraint in that respect.

**Mr. Chope:** Absolutely. Let us hope so. I abide by your ruling, as always, Mr. Deputy Speaker. I am not going to articulate all the details that would be contained in the regulations which, if I interpret it right, is your concern. Otherwise, we would be here all day, which would obviously be undesirable.

**Derek Conway:** Obviously we will abide by the directions of the Chair, but in terms of rising and sitting down I note that both the occupant of the Chair and my hon. Friend look in pretty good condition, so this exercise is probably very good for everyone.

My hon. Friend says that he does not want to be pressed on the detail. I am sorry we are having to do that, but we do not have explanatory notes to new clauses in the way that we do for other Bills, so he will understand why we need to press him to clarify the direction in which he is travelling. Although he will not go into absolute detail—the House will understand why—I hope he does not take offence at the fact that we are pressing him a little on these matters.

**Mr. Chope:** I would never take offence at anything my hon. Friend did or said. What is important is that the House and the Government, whom I hope to be able to persuade to accept the new clause, know why we have chosen to include the words

"composition, conduct and operation of the Tribunal."

Those are the three key elements of the regulations to be made under the new clause. We discussed the importance of the composition of the tribunal. The nature of its composition would make all the difference in the world to its effectiveness and authority. That is why there should be detailed regulations relating to that. The conduct of the tribunal would be fundamental to whether the people who appear before it have confidence in it, and whether it is effective and commands public support. The operation of the tribunal is also highly relevant. That is why those three elements have been picked out. The new clause does not say that the Secretary of State cannot make regulations that go wider than that, but any regulations that he does make must include those essential key elements. I hope that that commends itself to the House.

**Greg Clark** (Tunbridge Wells) (Con): In promoting the new clause, my hon. Friend has given such an alarming picture of the consequences of the tribunal having people of poor quality or not being able to conduct itself properly that he is beginning to persuade me that the new clause is deficient and should have more specifics on the conduct and calibre of the people involved. Can he reassure me on that?

**Mr. Chope:** All I can do is say that we are where we are, as Mr. Deputy Speaker said. We have the new clause before us. It is not embellished. No one has sought to amend it by making it more extensive. All one can do is hope that if it is incorporated into the Bill and the Bill becomes law, the Government, who control such things, will ensure that the concerns expressed are reflected in the content of the regulations.

**Mr. Burns:** It grieves me to have to tell my hon. Friend that, like my hon. Friend the Member for Tunbridge Wells (Greg Clark), I am becoming more and more concerned that the new clause does not go far enough. I fear that I shall have to seek to catch Mr. Deputy Speaker's eye to make it clear why there may be deficiencies in it.

**Mr. Chope:** It would not be the first time I have been accused of having deficiencies. I am the first to accept that nothing in the world is perfect but, as I candidly explained to the hon. Member for Montgomeryshire (Lembit Öpik), my main concern is to introduce a provision that is in order and relevant.

**Philip Davies:** I understand the objections that other Members have made, but as at this stage we do not know how many cases would go to a tribunal or how many times it would meet, does my hon. Friend agree that it is difficult to make specific points about its composition?

**Mr. Chope:** That is obviously an issue. The number of times the tribunal met would depend on how the Government used their powers under clause 2. If they were seen to use their powers fairly, only a small number of aggrieved people would appeal to a tribunal. Of course such a process is always open to vexatious litigants or people who are sometimes encouraged—I am ashamed to say—by members of the legal profession who think there is money in it for them too, but such cases would be the exception. However, if the Government were seen to be heavy-handed in the use of their considerable powers under clause 2, there would be a heavy burden on the tribunal, which would eventually lead to additional costs for the taxpayer. In that sense, setting up a

tribunal process with costs for the taxpayer would introduce a deterrent against the Government acting in a high-handed and unfair fashion in the exercise of their powers.

**Greg Clark:** It is uncharacteristic of my hon. Friend to call for what could be a considerable increase of public expenditure, which has to be financed from taxation. He is usually meticulous in avoiding such charges on the Exchequer, so I assume that he has made an assessment of what he considers a proportionate sum for the costs of the provision. What does he think is a reasonable expenditure consequence of his proposal?

**Mr. Chope** *rose—*

**Mr. Deputy Speaker:** Order. Before the hon. Gentleman replies, may I point out to the hon. Member for Tunbridge Wells (Greg Clark) that it will be helpful if he addresses both the Chair and the microphone? Otherwise his words may not be properly recorded.

**Mr. Chope:** My hon. Friend the Member for Tunbridge Wells asks a pertinent question. As a former shadow junior Treasury Minister, I know how important costs are and how important it is that Opposition parties do not support proposals that might be interpreted by a mischievous Government as suggesting that we were making unfunded spending commitments. I do not think that the costs of the tribunal process would be greater than the costs incurred by not having a tribunal. If there is no tribunal to take the steam out of the cauldron, more people would be dissatisfied and the judicial review process would be used instead. Perhaps the Minister will tell us about that process in due course because when we last discussed the issue the Government line was, "Let the people use judicial review", but that is expensive not only for the applicants but for the Government and thus the taxpayer nationally. It can use up valuable resources.

**Greg Clark:** Will my hon. Friend explain who will pay the costs of the tribunal? Will the litigants be responsible, which might mitigate the costs to the Exchequer, or is it his intention, and expectation, that the costs would be met from central Government?

**Mr. Chope:** I am afraid that on this occasion, I will have to hide behind the wording of my new clause and say that that will be a matter for the regulations. Regulations could incorporate rules relating to costs, but I had it in mind that normally the burden of costs should be borne largely by the taxpayer rather than the applicant. We are talking about lots of applicants who are applying for what may be quite modest civil service jobs, where the salary might be only a few tens of thousands of pounds. I would not want them to be deterred from exercising their rights and obtaining justice by the knowledge that, were they to be unsuccessful, they would be penalised significantly by costs.

1 pm

I understand where my hon. Friend is coming from on the issue of costs and taxpayers' money, but an important balance has to be struck. That is one of the reasons I am so disappointed by the way in which the Government are dealing with legal aid, effectively ruling out access to the legal system for lots of people in our society who are relatively poor. It has almost got to the stage where people have to be extremely wealthy or extremely poor to get access to justice. I would not want my tribunal, as I shall arrogantly call it, to fall foul of that system. I want anybody who is aggrieved—not those who are vexatious—to be able to get access, and the costs would have to be borne as part of the overall cost of society and having fair play.

**Philip Davies:** I am sure my hon. Friend accepts that there cannot be a differential between the cost and the effectiveness of the tribunal. They are part of the same issue. He said earlier that more people would go to the tribunal if the Government were seen to accept its verdict. Is there a danger that the Government would deliberately not accept the verdicts of the tribunal to deter people from going to it, in order to reduce its costs?

**Mr. Chope:** My hon. Friend is adopting the mindset of a Minister; I congratulate him on that. It is exactly the convoluted approach, with perverse behaviour and outcomes, that Ministers, or perhaps their advisers, often adopt. I hope that we can have more trust in human nature and rational behaviour on the part of the Government than my hon. Friend suggests. I do not want to make any guarantees, but I live in hope. The issue of costs is important, and when we last discussed it, it was the main reason and justification put forward by the Government for not accepting the new clause. However, I would say, "What price justice?"

**Greg Clark:** My hon. Friend has made it clear that it is at least possible that the costs might fall on the litigant, but given the terms of his new clause, if the tribunal's decision were not binding on a Minister, litigants would be enticed into a gamble. They could spend large sums of money and win their case, but find that Ministers completely ignored the tribunal's ruling. Should we be enticing people who may be, as my hon. Friend says, quite low paid, to risk their money in that way?

**Mr. Chope:** I draw my hon. Friend's attention to a relevant analogy, which is what happens under the planning process. If people are aggrieved by a planning outcome, they can seek judicial review, which is an expensive, convoluted process. The result of that review will never overturn the decision and say that the planning permission that was granted is now overturned. A judicial review can only send the matter back for reconsideration. That happens at the moment under the planning process, and it is one of the reasons why I would never advise a constituent to engage in such judicial reviews.

However, at least under my proposals, the costs will be much less for the applicant than those of engaging in judicial review. I accept the comments of my hon. Friend the Member for Tunbridge Wells that, almost by analogy with judicial review of planning decisions, the outcome will be uncertain because applicants may end up with a pyrrhic victory. They believe that the recommendation has been made in their favour, but then the Government overturn it. At least by that stage,

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the Government are accountable to the House, the individual Member of Parliament can seek an Adjournment debate on the matter and all the available processes would come into play, including scrutiny by the alert newspapers, which we are lucky enough to have in this country.

Giving a Minister of the Crown discretion about whether to accept a recommendation drives a coach and horses through matters, and I take the point that the proposal is less than perfect, but it is better than the alternative. Indeed, there is no alternative before us today.

It is typical of the responsible way in which hon. Members are tackling the matter that they are so concerned about the potential costs and want to ascertain how the process may interact with the people whom it is designed to benefit. Under clause 2, married people may find themselves penalised by their relationship. I appreciate that amendments in the next group could have an impact on the clause. However, when one considers that the status of a spouse may have a critical impact on an individual's ambition to serve in a civil capacity under the Crown, it is important to establish proper safeguards for such people. In a sense, they risk being penalised not for their status, beliefs or nationality but because of the person whom they have chosen to marry. That may have to happen sometimes, but, if so, it should be subject to a right of appeal or review, for which the new clause calls.

My hon. Friend the Member for Beaconsfield supported the new clause when we previously discussed the measure. He said that it provided a framework of greater fairness and that it would prevent the Government from having free rein in picking and choosing the countries that they would put on a prohibited list.

Clause 2 gives the Government tremendously wide discretion to outlaw citizens from a range of countries on the basis of a black list, which may have a severe impact on affected individuals. As my hon. Friend the Member for Beaconsfield said on the previous occasion, it would be better to concentrate on the individual qualities of applicants, almost irrespective of their nationality, and consider their ability to serve the country well.

When we discussed the measure previously, the hon. Member for Hendon, the promoter, was dismissive of the new clause, saying that those who supported it were not genuine supporters of the Bill. That did not—and does not, I believe—apply to my hon. Friend the Member for Beaconsfield because he said that he could see some good in the Bill overall. I can see some good in the Bill overall, but I can also see a lot in it that is bad. I am concerned to try to make it better and fairer than it would be without the inclusion of new clause 1.

On the previous occasion, it was said that judicial review would be available and that that would be sufficient—I anticipate that the Minister might have the same brief as her predecessor did three years ago and say that we do not need the provisions in the new clause. The argument was put then, and no doubt it could be put now, that the judicial review process had been streamlined and that there were now effective mechanisms for settling cases prior to the hearing taking place. However, if one wants a recent example of the reality of judicial review, one does not need to go further than the case reported in the papers in the past 10 days of the challenge to the distribution of the Al Gore film to our schools. An individual took that case to judicial review. Although I do not have first-hand knowledge of it, my understanding of what was contained in press reports is that bringing the case to judicial review could have cost the challenger up to £200,000. If he had lost the case, not only would he have had to pay that £200,000 but he would have been liable for the Government's very considerable costs.

We do indeed have a new judicial review process, which can be used by the Government, but it is too rarely used by the Government. It could have been used by the Government in that case, because at the end they seemed to be quite satisfied with the outcome, although the taxpayer ended up paying the best part of two thirds of the costs of the challenger, as well as the costs of trying to resist the challenge. However, not many people who seek a position in the civil service will risk such large sums of money in the judicial review process. I therefore do not think that the judicial review argument, which the Minister might deploy, is an effective argument against the new clause.

There it is—the new clause is not perfect, but it would certainly have a beneficial impact on what would be the unfair provisions in clause 2.

**Greg Clark:** My hon. Friend must forgive me for not being on the Front Bench in the Committee stage of the Bill, but can he brief me on whether the Human Rights Act 1998 offers some protection to people who might be disadvantaged by the decisions of Ministers?

**Mr. Chope:** Although I am member of the Parliamentary Assembly of the Council of Europe—I am delighted to see the former leader of the British delegation, the hon. Member for Manchester, Central (Tony Lloyd), in his place; he might be able to help us on this—my understanding is that in order to exercise one's rights under human rights legislation in this country one would need to go to court. That means that one would effectively open oneself up to exactly the same potential costs as going to judicial review. One might then seek to go the European Court of Human Rights in Strasbourg. However, I believe that at the last count the list of cases waiting for determination there was about 100,000, so one would not be guaranteed very speedy justice, and by then the job opportunity might have gone somewhere else.

1.15 pm

**Greg Clark:** I am grateful to my hon. Friend for that clarification, but at least the Human Rights Act 1998 is judiciable in the British courts. Should we not be sceptical about proliferating these bodies? If there is already a court that is qualified to address and redress some of these concerns, we should make use of it, rather than seeking to replicate it.

**Mr. Chope:** The extension of that argument would be to say that the whole of the employment tribunal process should be curtailed and that all those cases should be dealt with by the human rights court. That

would be a solution, and it might also be cost-effective, in that it would result in far less activity taking place. It would mean that most of the present tribunals—the social security appeals tribunal and all the rest of them—would be put out of business and people would be told to have their grievance dealt with under the human rights legislation.

I do not think that that would be appropriate in the context of where we are at the moment, however. I am proposing a tribunal because that is the system that we have now. I am looking forward to the arrival of a radical Conservative Government, however, and if such a Government wanted to consider a complete root and branch reappraisal of these matters, this question could be included in such a reappraisal. But I would be concerned if this area did not have a tribunal while we still have tribunals for all sorts of other areas in which individuals feel aggrieved about the way in which they have been treated, especially in relation to employment issues.

**Philip Davies:** I agree with my hon. Friend, but does he acknowledge that such a root and branch reform could involve a future Government scrapping the Human Rights Act altogether? In those circumstances, if there were no tribunal, people would be left with nowhere to go. It is important to embed provisions in this legislation in case that should happen in the future.

**Mr. Chope:** As always, my hon. Friend makes a good point. Those of us who would like to see the Human Rights Act repealed could find that the argument for repealing it would be undermined by the fact that we had adopted the Act as a way of providing a remedy for people aggrieved under the conditions of clause 2.

I do not think that human rights issues can be satisfied by not having a tribunal. Indeed, the only way I have been able to determine for satisfying them is to ensure that people have a right of redress and a right of review so that their case may be heard again. In that way, we should not have government by ministerial fiat that would affect an individual's right to engage in employment. Some people might not want to apply for such redress, because they might realise that their CV made them completely inappropriate for the job for which they had been turned down, or because they might not wish to engage in the vetting procedures that might be applied to them.

The existing provisions in clause 2 will result in a lot of hard cases—possibly an enormous number, depending on how the Government interpret and act on those provisions. Even if there are only a few cases, however, I believe that it will be worth while setting up a system that would enable those aggrieved people to have recourse to justice. I therefore have great pleasure in urging the House to give the new clause a Second Reading.

**Mr. Andrew Dismore** (Hendon) (Lab): I am rather surprised that we are debating this matter today. Throughout the Bill's passage, we have tried to engage constructively with those who had concerns about it, and this issue was not raised in Committee. Furthermore, I believe that we have answered the questions that were raised at that time pretty effectively in the next group of amendments. I am therefore left with the suspicion that this is a tactic to talk the Bill out. The hon. Member for Christchurch (Mr. Chope) and other Conservative Members have blocked the Bill for the past five years. Opposition Front Benchers have supported it in the past, but in the light of the tactics that we have seen their Front Benchers employing today, I doubt that their official position is being defended by those Members.

**Greg Clark:** I should like to reassure the hon. Gentleman that the Bill has the full support of those on our Front Bench. Indeed, my interventions on my hon. Friend the Member for Christchurch (Mr. Chope) probably caused him some disappointment, because I cannot share the enthusiasm that my hon. Friend the Member for Beaconsfield (Mr. Grieve) had for this proposal. I am largely in agreement about the deficiencies of the new clause, so, in terms of the new clause and the Bill, the hon. Gentleman and I are on the same side.

**Mr. Dismore:** I hear what the hon. Gentleman says, but those who read the *Official Report* will form their own views of the conduct of the debate so far.

Throughout the whole process, I have tried to engage constructively with the right hon. Member for East Yorkshire (Mr. Knight) and the hon. Member for Christchurch. I have kept them fully informed of discussions and negotiations between myself and the Government, and given them early notice of any proposed amendments. As I said, I am surprised to have this new clause sprung on me today.

The new clause can be easily and quickly answered. In fact, it can be answered so easily that I am rather surprised that it has been selected for debate. It simply does not match, though I am not criticising—

**Mr. Deputy Speaker** Order. The hon. Gentleman has expressed a criticism, but he must know that the selection process is beyond reproach. If the new clause has been selected, it is wholly in order to debate it.

**Mr. Dismore:** I was about to say that I fully accept that. I was merely expressing my surprise that the new clause was selected; of course, I was not criticising the selection process. The reason why I expressed surprise is that the new clause simply does not fit the structure of the Bill. The Bill's purpose is not to identify a particular group as excluded from employment on account of their nationality—because they happen to be from Somalia, in the example that we have heard. It is not intended to exclude any particular individuals from employment. The Bill relates to posts, not persons. The Bill operates by saying that a particular group of posts—a much smaller group than at present—should be reserved for UK nationals, with the rest of the posts available at large for anyone to apply for. In respect of those posts, no one is excluded on grounds of nationality, though appointment will be subject to the usual interview process that anyone applying for any job typically goes through.

The entire superstructure of the new clause is completely erroneous and misconceived. Nobody would be able to use new clause 1 because nobody would be ineligible in the way it describes. The provision simply does not match clause 2 in any way,

*[Mr. Dismore]*

shape or form. If it referred to classes of posts, it might perhaps be relevant, but as the Minister is likely to point out later, the way to challenge that may well be by judicial review of the regulations rather than by individuals pursuing the case. No particular individual will be disadvantaged in the way suggested by the proponents of the new clause.

Foreign nationals feel aggrieved—very aggrieved—by the existing rules. The purpose of clause 2 and the Bill as a whole is to expand those rules to ensure that only jobs that it is absolutely necessary to reserve for UK nationals are so reserved. The Bill will extend, not restrict, the rules so that people with a legitimate desire to work for the civil service, for example, will not be excluded artificially by rules that are simply irrelevant to the particular post in question.

Judging from the debate so far, I suspect that opposition to the Bill, which is exemplified by the attempts of Conservative Members to talk it out today, is based on xenophobia rather than common sense. I have to say that the Bill has been blocked for five consecutive years by the hon. Member for Christchurch and one or two of his hon. Friends—apparently in the face of opposition from their Front Benchers, who clearly have no control over their Back Benchers. So be it. It has been blocked for five years running and it looks as if it will be blocked again today. There is a tendency to quote Arnold Schwarzenegger these days, so I simply say that if the Bill fails today, "I'll be back".

**Lembit Öpik:** *rose—*

**Mr. Deputy Speaker:** Order. It is always helpful if the hon. Member for Hendon (Mr. Dismore) indicates that he is giving way. Otherwise, if he simply sits down—prematurely, if I may say so, for him—there may be some confusion.

**Lembit Öpik:** I am surprised, but grateful to the hon. Member for Hendon (Mr. Dismore) for giving way, as I thought that I was about to have to make a speech. I know that the hon. Gentleman believes that we are witnessing a filibuster, but can the new clause not be interpreted as enabling a person who is ineligible to be employed for a particular post to appeal against the block?

**Mr. Dismore:** Given the way in which it is phrased, it certainly could not. As for why that is the case, the answer is in the earlier comment by the hon. Member for Christchurch: this is a hand-me-down new clause prepared for the late Eric Forth, for an earlier version of the Bill several years ago. The hon. Member for Christchurch simply has not done his homework: he has not read the Bill as it now stands and as my and the Government's proposed amendments would take it further forward, and has not proposed an amendment that fits the Bill.

**Mr. Chope:** Although the hon. Gentleman might anticipate the approval of his amendments in the next group, we cannot discuss new clause 1 as if those amendments had already been passed.

**Mr. Dismore:** But of course I must anticipate that the amendments will have the hon. Gentleman's support, because they were tabled to answer the criticisms that he made in Committee. Even without those amendments, however, the new clause does not fit the Bill, because the Bill deals with posts, not persons. An abstract unfilled post cannot apply to a tribunal, which is the only way in which the clause could operate. It is all absolute nonsense, and the hon. Gentleman, who is a lawyer, ought to have done his homework properly. If he wants an appeal mechanism, he ought to put forward a new clause or amendment that achieves his desired objective, which this new clause manifestly does not. It simply does not fit the Bill.

**Lembit Öpik:** Having looked at the new clause, let me say that the decision to select it for debate is beyond reproach. There is a reasonable debate to be had about the case for a tribunal. Apropos of my question to the promoter of the Bill, it seems from his explanation that the new clause is incorrectly worded and therefore does not provide a mechanism for challenging decisions about which positions can be applied for by foreign nationals and which cannot.

I very much enjoyed the 70-minute contribution of the hon. Member for Christchurch (Mr. Chope); my only regret is that it was finite. Nevertheless, he made the case for the principle of a tribunal. Would the hon. Member for Hendon therefore have accepted a clause that introduced a tribunal that really did provide a mechanism for considering whether particular posts should be opened up to foreign nationals?

**Mr. Dismore:** The real problem is that that is an abstract concept. The only way in which an individual could be affected is through the vetting process. If the hon. Gentleman is suggesting that a tribunal should consider the vetting process—the only means by which an individual would be excluded—he would be on dangerous ground, especially as the hon. Member for Christchurch has an amendment in the next group that would take out the vetting process.

**Lembit Öpik:** I was not suggesting that, and it would be hard to understand how a tribunal about vetting could operate meaningfully without straying well beyond what any reasonable person would regard as the sharing of confidential information.

**Philip Davies:** I am puzzled that the hon. Member for Hendon (Mr. Dismore) says that clause 2 applies only to posts, not people. Clause 2 clearly states:

"Rules may be made imposing requirements as to nationality which must be satisfied by a person".

Nationalities are made up of people, not posts, so the tribunal would be there in case anyone was disadvantaged. Does the hon. Gentleman agree that that is necessary?

**Lembit Öpik:** There is a slight risk of a semantic debate, which probably goes beyond what is useful for this discussion. I leave it to the hon. Member for Hendon and the Minister to respond to that. I can see the case for some kind of tribunal system or mechanism to re-evaluate whether particular jobs should be open to foreign nationals. This clause does not seem to do that, but I would be interested to hear the official Government position.

The clause is less important than the fundamental purpose of the Bill, which is to provide a more generous opportunity for foreign nationals to operate in a civil capacity under the Crown. Surely that is long overdue. It would be a great shame if we were to embroil ourselves in argument over this clause and then throw the baby out with the bathwater.

1.30 pm

**Mr. Burns:** Although I welcome the debate, it puts me in something of a quandary. I am usually a strong supporter of my hon. Friend the Member for Christchurch (Mr. Chope), but I fear that in his new clause—with which I have considerable sympathy—he has not shown the robustness that we normally associate with him.

I think it absolutely right for there to be an appeal mechanism. In recent years we have seen too many abuses by Government, too many instances of their running roughshod over people's civil liberties. I believe that when legislation is as crucial as this and has such a direct impact on the lives of individuals, there should be a right of appeal to redress any wrong decisions that have been made, and in that respect I wholeheartedly support what my hon. Friend seeks to do to improve the Bill.

**Lembit Öpik:** I am sure the hon. Gentleman will recognise that although that may be the intention, it is not what the new clause would achieve. It refers to

"A person who is ineligible to be employed or hold office".

In other words, it makes the assumption, as a given, that the person is ineligible. Surely the most generous interpretation of the new clause is that it applies only to a decision on whether foreign nationals should be barred from a particular post.

**Mr. Burns:** I understand the hon. Gentleman's point. My point is that I believe in principle that there should be an appeal mechanism. If the new clause is badly drafted and needs to be improved—as I shall explain, I think it is badly drafted in other respects—there should still be time to remedy that deficiency. We should not pass a law that is deficient by reason of the exclusion of what my hon. Friend is trying to do, simply for the sake of passing the law. Too much law has been passed that was bad law from the outset, with the result that we have had to come back to repair the damage.

We should congratulate my hon. Friend on the initiative that he has taken with the aim of improving a Bill, but I fear he has not been robust enough. I agree with my hon. Friend the Member for Tunbridge Wells (Greg Clark) that there are deep flaws in the wording of the new clause. I shall briefly explain my concerns about what my hon. Friend has done, although I do not question his motives. Indeed, I am trying to be helpful to him.

I am very concerned about subsection 2, which I mentioned earlier in an intervention. Although

"the Tribunal may recommend to a Minister...that an exemption to the rules be made",

nothing in the new clause suggests that the Minister would have to accept that recommendation. I consider that to be a fatal flaw, which could drive a coach and horses through my hon. Friend's intentions, if I have understood them correctly. We have seen other examples of Governments ignoring recommendations that have been made in good faith and probably for the right reasons, but have been unpalatable to Ministers. I would have preferred the new clause to place a statutory obligation on a Minister of the Crown to accept what a tribunal determines.

Subsection 3 also causes me grave concern. It states:

"The Secretary of State shall make regulations with respect to the composition, conduct and operation of the Tribunal."

The element about which I am unhappy is the composition. We have seen circumstances in other areas of government in which boards and bodies have been stacked with, in effect, placemen of the ruling party. Evidence shows that in the late 1990s, national health service trusts and strategic health authorities were packed with Labour placemen. Even the Government accepted that, de facto, by setting up the independent Appointments Commission. I fear that if it is left to a Secretary of State to make the regulations for the tribunal, we may see placemen of the Secretary of State's party making appointments that are suitable to him, but are not in the best interests of natural justice.

For that reason, I would have preferred the proposed measure to have specified that the independent Appointments Commission, rather than the Secretary of State, should sort out the composition of the tribunal. That would have improved and enhanced the organisation and given it greater transparency and independence, and people would have had more confidence in its decision-making processes.

**Philip Davies:** I have a great deal of sympathy with my hon. Friend's point. However, is it not the case that under the new clause as currently worded, the Secretary of State has the freedom to allow things to be done as he wishes?

**Mr. Burns:** My hon. Friend anticipates my next point, which shows his customary perceptiveness.

Proposed new subsection (4) gives the Secretary of State the power not to

"make regulations under this section unless a draft of the regulations has been laid before and approved by a resolution of each House of Parliament."

I congratulate my hon. Friend the Member for Christchurch on stipulating that the mechanism must be employed under the affirmative resolution of both Houses of Parliament. All too often under this Government—and, to be fair, under the Conservative Government—there has been a slip into the habit of introducing all secondary legislation under the negative procedure. As we know, under the negative procedure Parliament has much less ability to monitor and scrutinise the Government's proposals than under the affirmative procedure. Therefore, the affirmative procedure is a plus.

However, I do not think that proposed new subsection (4) is the panacea that my hon. Friend the Member for Shipley (Philip Davies) hopes it is. It states that the Secretary of State should produce draft regulations to be subject to the affirmative procedure, whereas it should state that the Secretary of State should produce draft regulations prior to the draft

*[Mr. Burns]*

regulations that the House will approve, so that we have an opportunity to discuss the draft regulations before they are put before the House in draft form. A key problem with secondary legislation—statutory instruments and regulations—is that they are unamendable once they have been produced in draft form for consideration in Committee. One either has to accept them in their entirety, or reject them in their entirety.

I have no doubt that the draft regulations that would emanate from this new clause would contain much that Members would agree with, but I suspect there would also be parts that we strongly disagree with, particularly on the composition of the tribunals. However, it would not be possible to remove them in isolation or seek to amend them, because of the way in which secondary legislation operates in this House. That is why there should have been another proposed subsection saying that drafts of the draft regulations should be produced first, for consideration—in line with the Government's positive move to start producing draft legislation that is considered in Committee before it is introduced to the House as a Government Bill.

**Mr. Chope:** I understand my hon. Friend's argument, but unless the Government were bound to accept the results of the consultation on their draft regulations there would not be much point in having them, because there could be draft regulations but the subsequent regulations could still be in a form that my hon. Friend would dislike.

**Mr. Burns:** Logically, my hon. Friend is correct. However, one would hope—and with this Government one does have to live in hope—that when the drafts of the draft regulations were produced, consulted on and considered by Members in all parts of the House, the force of any argument against the original draft regulations would persuade the Government to think again.

My hon. Friends may call me naive, but in one way time may be on our side. As we all remember, in the past three months the new Prime Minister has said that he wants to be a listening Prime Minister. If that spoken desire is carried to its logical conclusion, he should be prepared to think again if hon. Members come up with cogent and valid reasons on why something in a draft regulation is wrong; in such circumstances, the Government should be amenable to changing it. I hope that having the regulations in draft so that we can consider them before they are put to the House would be a step forward. It would be a way to make changes. The other, more negative answer to my hon. Friend the Member for Christchurch is that that is the only thing that we can do; the mechanism is by regulation, which by definition means secondary legislation. As I said, the only way to deal with secondary legislation is to accept it in its entirety or reject it in its entirety, and we probably would not want to do that.

I have explained why I have misgivings about the nuts and bolts of my hon. Friend's new clause. There is considerable scope to tighten and improve on the valid and sensible ideas and principles behind his proposals.

In conclusion, I should add that in respect of clause 2 as currently drafted, my hon. Friend is helping and strengthening the Bill with his new clause. As well as explaining what clause 2 proposes to do, the explanatory notes say that

> "Any rules made under this power would have to comply with the requirements both of the European Communities and of the European Convention on Human Rights."

As long as the European convention on human rights is enshrined in our law, we have to ensure that legislation complies with it, and providing those valid safeguards for individuals who might get caught up with the law will help in that process. They would have the right of appeal to press their case, and the tribunal would have the power to make exemptions, if, on investigation and having heard the case, it felt that that was warranted.

**Mr. Chope:** Is my hon. Friend not in danger of—I say this hesitantly—confusing the process and the substance? The European convention on human rights is about the process of ensuring that there is fair play, but my new clause is designed to deal with the substance of an individual's particular circumstances and case.

**Mr. Burns:** I take my hon. Friend's point fully on board and agree with it. I am just saying that I hope that he will achieve two things with his new clause: first, that it will fulfil the very purpose that he says it is for: and secondly—my point—that it will help make the legislation more compliant and compatible with the European convention on human rights.

For those reasons, I am in a quandary about what I would do if the new clause were pressed to a Division. As I said, I support the principle behind it, but have misgivings about the detail. I shall have to listen carefully to the Minister before making up my mind about whether I can support my hon. Friend, as I usually do.

**Philip Davies:** I have followed the debate with great interest; it has been fruitful, despite the concerns of the hon. Member for Hendon (Mr. Dismore). It has been useful in teasing out some of the issues in respect of the Bill.

We have to take the new clause in the context of clause 2, which gives the Government wide-ranging powers. The hon. Gentleman was uncharacteristically uncharitable and misguided in thinking that those who are trying to improve the Bill are doing so out of xenophobia. I have a great deal of respect for him, and I am sure that he welcomes parliamentary scrutiny of legislation—that is, after all, what we are here for. As it stands, clause 2, as I said, does give wide-ranging powers to Ministers.

1.45 pm

As the hon. Gentleman made clear earlier, the Bill is designed to extend the pool of people from which the civil service can draw, and new clause 1 is a very useful way of delivering on the objectives that he had in mind when drafting the Bill.

**Lembit Öpik:** Obviously, every debate is important, but which is more important to the hon. Gentleman—a thorough debate of this new clause or the passage of

the Bill? In other words, does he think this new clause so important that he is willing to lose the Bill today in pursuit of debating it?

**Philip Davies:** What I am concerned about is parliamentary scrutiny. I do not want a deficient Bill to go through this House—I want the Bills that go through to be robust and to stand the test of time. If a particular Bill cannot meet that requirement, I do not want it to be passed; I want only those that are fit for purpose to be passed.

**Mr. Chope:** Does my hon. Friend accept that the issue is not whether the Bill is going to be lost today? Only now is it reaching the end of its proceedings in this House. It needs to go to the other place, and we will prorogue at the end of this month, so it is totally unrealistic to think that it will get on to the statute book this Session, anyway.

**Philip Davies:** My hon. Friend is absolutely right and as the hon. Member for Hendon made clear, if the Bill does not go through during this Session, he will bring it back at some future stage. Perhaps the House is doing him a service today by making sure that when he does bring it back, if he takes into account all the points that have been made, there will be no need for it to be so delayed. I suspect that, contrary to the point made by the hon. Member for Montgomeryshire (Lembit Öpik)—that this debate is causing the Bill problems—it is helping it in the long run.

**Lembit Öpik:** I was simply trying to establish how important new clause 1 is to the hon. Gentleman—that is all.

**Philip Davies:** I am grateful to the hon. Gentleman, who is obviously sat there in anticipation of my remarks. Should he allow me to progress, I will be able to tell him how important new clause 1 is to me. As someone who has signed up to it, along with my hon. Friends, I can tell him that I consider it very important to the Bill. I very much hope that, should he get the chance, my hon. Friend the Member for Christchurch (Mr. Chope) will press it to a Division, because it goes to the heart of what we are trying to achieve through the Bill.

The new clause has to be seen in the context of clause 2. There is a slightly muddled position, in that clause 1 allows for a free-for-all in opening the civil service up to people from foreign countries, yet clause 2 is quite restrictive, undoing all the work of clause 1. Given that the Bill's purpose is to extend the pool of people from which the civil service can draw, new clause 1, which enables a tribunal process to take place should somebody be determined ineligible to apply for a job or hold a post, is absolutely crucial. The new clause would extend the range of people who could enter the civil service—something that those who support the Bill would surely welcome.

My hon. Friend the Member for Christchurch has been typically frank with the House in saying that he himself does not consider the new clause perfect in every respect. I do not think it perfect in every regard either, and my hon. Friends the Members for West Chelmsford (Mr. Burns), for Tunbridge Wells (Greg Clark) and for Old Bexley and Sidcup (Derek Conway) made some very powerful points about its possible shortcomings. However, what the House must decide today is whether the Bill is better for adding the new clause, even though it may not be perfect. My point is that although the new clause may not be perfect, it helps the Bill. The new clause is important, because in our system of justice it is vital that when decisions are being made about people's lives, a transparent appeal process exists so that they can see that decisions are above board and that people have not been unfairly discriminated against.

I was curious when my hon. Friend the Member for Christchurch said that the new clause had received such objection from the Government when brought to the House before, because it strikes me that the new clause is limited in scope. It still gives the Secretary of State great powers and involves the making of recommendations only, which are not binding on the Government. I do not see why they should be so upset about a modest and benign proposal.

We have had a robust discussion about whether the tribunal should only be able to make recommendations to the Minister and whether its decisions should be binding. I was persuaded by the powerful case made by some of my hon. Friends that decisions should be binding on Ministers. Notwithstanding that, the issue that we must decide is whether to accept the new clause in its current form or decide not to have a new clause at all. Having an appeal mechanism that can make a recommendation to a Minister is better than having no new clause, as that would have no influence whatever.

**Mr. Jim McGovern** (Dundee, West) (Lab): The hon. Gentleman has said that the purpose of our being in this place is to scrutinise legislation, and that he wants legislation that will stand the test of time and scrutiny, but he admits that the clause is imperfect. Does he not regard that as a contradiction in terms?

**Philip Davies:** The hon. Gentleman makes a good point. In an ideal world, perhaps the new clause would be improved, but the decision that we must make today is whether we adopt this new clause or have no new clause. Such is the nature of the decisions that we must make. I am simply trying to make the point that the new clause, although imperfect, is better than no new clause.

**Lembit Öpik:** The hon. Gentleman has said that he wanted to ensure that the Bill was completely right before it was passed, but now he is saying that he would be willing to vote in favour of an imperfect clause. I ask him to help me understand that.

**Philip Davies:** I have made it clear to the hon. Gentleman that I would prefer the Bill to be perfect, but the opportunity to have that is not before us today. We must work within the confines of what we are dealing with: whether or not to accept new clause 1. My contention is that, although imperfect, it is better to have it than to have no new clause. That is the only decision that we are in a position to make, which is why I hope that my hon. Friend the Member for Christchurch will decide to press the matter to a

*[Philip Davies]*

Division. I would prefer it if we did not have to do that and if everybody in the House were to accept the addition of new clause 1.

On the question whether this provision should be for a recommendation, in an ideal world the tribunal would have more powers, but providing for a recommendation is better than having nothing at all. I am concerned about the scope of clause 2, which allows any person or body to whom the power has been delegated by a Minister of the Crown to make these decisions. We know that we live in an environment where the Government have introduced more and more quangos into the system and where decisions are increasingly being made by unelected and unaccountable bureaucrats. The scope of the Bill, as drafted, will allow such people to make the decisions about whether or not requirements are made to prevent people of certain nationalities from taking jobs.

That wide-ranging power will involve a lot of people making those decisions. Given that the scope of the Bill allows so many people in unaccountable and unelected positions to make such decisions, it is all the more important to have a tribunal appeal service that allows some consistency to be applied in those decisions and ensures that the system is seen to be fair. As drafted, the Bill may well mean that people in one unelected body that has been given powers by the Minister make a decision on one basis and another such body makes a completely different decision on a different basis. An appeal procedure that involves a tribunal will allow decisions to be seen to be consistent across different areas of Government and ensure that everyone can see that a decision has been fair.

New clause 1(3) relates to the composition, conduct and operation of the tribunal and it has generated considerable discussion and controversy. I understand the concerns of people who do not want the Secretary of State to make the regulations. I have long argued that Bills should not allow Secretaries of State a blank cheque to make decisions that are not tightly regulated by the House. On that basis, I would normally have some concern about the provision. However, given that we do not really know how many cases will go to a tribunal, or who will be best placed to serve on it, it is right that at this stage we allow a certain degree of flexibility in the new clause. We should not tie the Government's hands too far. Although in principle I accept that the Secretary of State should not have too many powers to decide who is on the body, what it will do and how it will do it, we need some flexibility, given that this body is being set up for the first time. Therefore, I am content that the new clause would allow the Secretary of State to make those regulations.

My hon. Friend the Member for West Chelmsford was right when he said that new clause 1(4) contains some safeguards. It provides that drafts of the regulations must be

"laid before and approved by a resolution of each House of Parliament."

Even though he was right to say that he was concerned about the power that the Secretary of State would have under the new clause, that is a useful buffer to prevent him or her from making decisions that are not fair or transparent.

Broadly speaking, most people seem to support the Bill. However, it needs to be improved to ensure that it is fair and that—in the good old British tradition—it is seen to be fair. My hon. Friend the Member for Tunbridge Wells mentioned the point about whether it was necessary, given the existence of the Human Rights Act 1998. I know that the hon. Member for Hendon is an enthusiastic supporter of that Act, but—as my hon. Friend the Member for Christchurch said—some of us wish to see it repealed. We cannot therefore rely on it to be the safeguard in every eventuality for every piece of legislation. We have to have things in place to protect people when the Act is repealed, as I would like it to be. It is important not to rely on legislation that we do not support, and that we put in place other mechanisms to ensure fair play.

The other objection that my hon. Friend the Member for Tunbridge Wells made was about costs. I understand that entirely, as I would not wish to incur unnecessary public expenditure. However, it is important to have an appeals process and it would not cost a considerable amount in the scheme of Government expenditure. A modest cost for a tribunal that ensures fair play is important.

**Mr. Edward Leigh** (Gainsborough) (Con): My hon. Friend is being unfair on himself. I suspect that the cost of his proposal would be extremely modest compared with the very large sums lost in inefficiency and waste in even one Department.

**Philip Davies:** I am grateful to my hon. Friend for his intervention. In his role as Chairman of the Public Accounts Committee, there is no one better in the House at ensuring that money is properly spent. He is absolutely right that any costs incurred by the new clause would be modest in the scheme of Government expenditure. If the Government are so concerned about waste in the public sector, I am sure that there are far better targets with far bigger rewards than this modest tribunal.

We need an appeals tribunal to ensure that the rules are fair. Although the cost objection is understandable, it is a red herring, because the costs would be incredibly modest. I invite the House to support the new clause, despite the reservations expressed, because it would improve the Bill and make it more likely to gain support in both Houses of Parliament.

2 pm

**Greg Clark:** I congratulate the hon. Member for Hendon (Mr. Dismore) on getting the Bill to this stage. I regretted his suggestion that my party and I are not entirely in favour of it. Unlike the hon. Gentleman, I have no interest in spending the whole of a Friday in a sport to block good legislation. The record will show that the questions I asked of my hon. Friend the Member for Christchurch (Mr. Chope) were pertinent and took up no more than a few minutes. When something that is flawed has been selected for debate, we have a responsibility to scrutinise it. The hon. Gentleman will find nothing in the record to suggest that I have done that in an excessive way.

I am in favour of the Bill. If it does not succeed today, I hope that the hon. Gentleman will come back with it, as he said he would, and that he might persuade

the Government to adopt it and put it in the Queen's Speech. It deals with an anomaly, and I agree that it is a ludicrous situation. I hope that we will make some progress on that.

However, as I foreshadowed in my interventions, I am afraid that I will disappoint my hon. Friend. I cannot maintain the support that my hon. Friend the Member for Beaconsfield (Mr. Grieve) gave to the measure when it last appeared before us. I am concerned that the new clause is flawed on two counts. The tribunal would lead to a proliferation in the number of public bodies. I am opposed to that. We have quite enough as it is. As was evidenced by the failure to secure even the broadest estimate from my hon. Friend the Member for Christchurch as to what the financial implications of the measure would be, it is unclear how much the tribunal would cost and who would pay for it—the litigants or the taxpayer. We cannot be led into supporting a measure that would have those consequences.

It is not terribly clear to me even after my questions as to how necessary the tribunal would be. We have the Human Rights Act. I thought that we might have missed something in Committee, but with due respect to my hon. Friend, it was pretty unclear from his response then how the justiciability of the Human Rights Act would affect these matters and whether we are duplicating a protection that already exists to people who might have considered themselves to be disadvantaged.

**Mr. Chope:** Perhaps I can explain. The difference between human rights legislation and the protection that I seek to give is that the human rights legislation deals with process, whereas I am concerned about individual injustice being rectified in front of a tribunal in the same way as individual employment injustice can be rectified in front of an employment tribunal.

**Greg Clark:** I take my hon. Friend's point, but presumably the tribunal would have some locus when it comes to procedural injustice, as well as the outcome. A more convincing explanation of the interaction of the Human Rights Act and the tribunal would have helped.

Judicial review is available. I take my hon. Friend's point that sometimes that is not accessible because it is expensive, but it is not that no mechanism is available. I was not convinced by his argument that we should add yet another public body to the list. However, if the case is to be made for a genuine appeal tribunal, I do not think that the proposed tribunal goes far enough. A tribunal that does not have a genuine right of redress is misleading.

If there is no obligation on Ministers to take into account, or act on, the considered views of a tribunal, when litigants may have gone to considerable lengths and expense to make their case, it would be most unsatisfactory. My hon. Friend the Member for Christchurch said that the Bill would raise expectations among foreign nationals that they could be employed under the Crown. That is fine. We should be raising expectations. People may already have such expectations and are astonished that they cannot be fulfilled.

My concern about the tribunal is that it could raise the expectation that it has some power. From correspondence and conversations with my constituents, I know how bitterly disappointed they are about the consequences of the parliamentary ombudsman's report into Equitable Life. That is an analogous situation in which expectations were raised, because complaints were investigated and recommendations made but Ministers roundly ignored them. There is a danger that we could be going down the same route.

**Mr. Chope:** I, too, have constituents who are concerned about Equitable Life, but unless I have missed something, my understanding is that the case is still being considered by the parliamentary ombudsman—even at this late stage. She has yet—

**Mr. Deputy Speaker:** Order. I think the hon. Member for Tunbridge Wells (Greg Clark) made an error in introducing that analogy and it should go no further.

**Greg Clark:** I shall go no further down the path of error, Mr. Deputy Speaker.

We have questions about who will serve on the tribunal and whether the tribunal can ever meet the expectations of litigants and people with genuine grievances. As a Front-Bench spokesman, I am enjoined constantly by the shadow Chancellor that our party, in preparing for government, should not enter into unfunded spending commitments. We are rigorous about that, so as my hon. Friend the Member for Christchurch failed to disclose where the money would come from and how much it would be—despite his 70-minute speech—it would be reckless for our party to support from the Front Bench a clause that had such financial consequences.

**Mr. Chope:** I am grateful to my hon. Friend for his candour in sending out such a strong signal. He has indicated that he supports the Bill as drafted, but does he not think that the mere passage of the Bill might incur public expenditure?

**Greg Clark:** I am not sure that it would. It would allow the Crown access to the best people for the job. At present, we pay employment agencies to fill gaps in civil service employment so if there were more people to choose from it could contribute to economy in the public services, which we would all welcome.

I do not want to detain the House. Important points needed to be put on the record and I hope that in my interventions and these brief remarks I have been able to explain why I cannot lend my hon. Friend support from the Front Bench. None the less, we have had a good discussion; it is important to be candid about such proposals and give them a thorough airing, as we have done. I shall be interested in what the Minister says, especially about the financial consequences of the new clause. Perhaps she will allay my concerns that the costs could be substantial and that they could take the Government along a financial road that the Opposition are reluctant to go down.

**The Parliamentary Secretary to the Cabinet Office (Gillian Merron):** I urge the House to resist new clause 1. I have listened to the debate and am glad to

*[Gillian Merron]*

have heard again today the commitment to good legislation and transparency we heard in Committee.

I am intrigued by the comments of the hon. Member for Tunbridge Wells (Greg Clark) but welcome the fact that he joins me in resisting the new clause. I very much share the view of my hon. Friend the Member for Hendon (Mr. Dismore) that the new clause literally does not fit the Bill. I explained in Committee and—in view of the time, I shall have to put it like this—I would have liked to reiterate in the debate on the second group of amendments that the Government's intend only a small percentage of civil service posts to be reserved for UK nationals in any rules made under clause 2. Indeed, the Government fully support my hon. Friend's desire that the vast majority of civil service posts should be open to all, regardless of nationality. Of course, candidates should be selected on merit, on the basis of fair and open competition, and with all the usual safeguards. We have the best civil service in the world and the best civil servants serving us in this country. We should continue to develop and progress to protect that position.

**Lembit Öpik:** Given the Minister's comments and the expressed support of the Conservatives and Liberal Democrats for the Bill, if it were to fall today, would she introduce it as a Government Bill, knowing that she would get support from all parties?

**Gillian Merron:** I can certainly give a commitment that the Government are committed to ensuring that the Bill's provisions progress, because we feel that that is the sensible way to preserve our place in the world with regard to having the best civil service. The House is aware that some posts in the obvious sensitive areas of security, intelligence, border control, diplomacy and immigration will be reserved for UK nationals, but those posts comprise only about 5 per cent. of all civil service positions. I am sure that the House will agree that it is necessary and perfectly proper for those posts to be reserved for UK nationals.

**Philip Davies:** Given that the Minister said—quite rightly, in my opinion—that we have the best civil service in the world, based on the current arrangements, can she explain why the Bill is so necessary? How do her remarks about opening things up to foreign nationals meet the Prime Minister's pledge about British jobs for British workers?

**Mr. Deputy Speaker:** I think it might be timely for me to remind the House that we are discussing new clause 1, not the Bill as a whole.

**Gillian Merron:** Mindful of that, we will continue, Mr. Deputy Speaker.

I draw the House's attention to the fact that the Bill provides for rules that contain the flexibility to enable Ministers and, if necessary and appropriate, heads of the security and intelligence services, to grant exemptions in certain cases. I consider it wholly unjustifiable and unnecessary for the Bill to provide for the possible creation of the tribunal suggested in new clause 1. It is an unnecessary level of bureaucracy, which I would have thought hon. Members would be as keen to resist as I am. I note that the new clause contains only the provision to make recommendations.

I make my comments about the measure being unnecessary and unjustifiable in view of later proposed amendments, which hon. Members will have seen, in which the Government have been most responsive to the Committee's deliberations. If we were to get to them, they would introduce parliamentary scrutiny—something not currently in place—and make it quite clear that we are talking about posts and not people. In that respect, the new clause does not fit the Bill, and I urge the House to resist it.

**Mr. Chope:** This has been a good debate, albeit slightly truncated. The promoter of the Bill, the hon. Member for Hendon (Mr. Dismore), said that he was surprised to have it sprung on him, but he has had more than three years' notice of it. He said that he has been trying to get this Bill on the statute book for five years, and every time it comes back, there is scope for it to be improved. That is what we are trying to do today. Surely the serious point is that, if the Bill is that important to the Government, it should be a Government measure. The press tells us today that the House will be underemployed in the coming season because we do not have enough legislation. It is sad that we should describe ourselves as needing legislation in order to be occupied. However, if that is the case, and there are spare days, why do not the Government use them to introduce the Bill so that they can get the credit for it?

**Mr. Leigh:** Perhaps because of cost implications.

2.15 pm

**Mr. Chope:** My hon. Friend makes the important point that there is a hidden agenda. However, perhaps the Government do not want to be seen to support the proposition in public because they believe that they may come in for some criticism at a time when immigration into this country has increased massively. I am not going to go into that now because I hope to discuss it when we consider one of my amendments in the next group.

I encourage hon. Members to take with a pinch of salt the Minister's reply to the hon. Member for Montgomeryshire (Lembit Öpik). She said that the Government were committed to the provisions in the Bill, but those words hardly suggest enthusiastic commitment by the Government to the measure. It amazes me that, after five years, during which the Government claimed to support the Bill, they have not taken it over.

As the Minister said, we are talking about only 5 per cent. of civil service posts being affected by clause 2, whereas, three years ago, the figure was 10 per cent. That probably has more to do with the increase in the numbers in the civil service than reduction in the scope of clause 2 compared with the current position. The hon. Member for Hendon does himself and the House a disservice when he describes those who ask questions about the Bill and those who support a right of appeal, as outlined in the new clause, as xenophobic. We are quite the reverse. The new clause would enable people who would be counted out under clause 2 to be

counted in after an appeal. It is the opposite of xenophobia—I presume that that is xenophilia. I therefore describe myself as a xenophiliac on the matter.

The hon. Member for Hendon criticises the new clause on the basis that I got it all wrong. Fortunately, he did not pursue the suggestion that it should not have been selected. One of the reasons for his confusion is that he has anticipated our accepting the amendments in the next group. We have not accepted them and, therefore, his reference to posts rather than people does not apply. He shakes his head, but clause 2 is entitled "Power to impose new nationality requirements" and states:

"Rules may be made imposing requirements as to nationality which must be satisfied by a person employed".

Subsection (2) provides for rules

"as to nationality which must be satisfied by persons of a description specified".

Although Government amendments would make "persons" "posts", they have not been passed. Perhaps that will happen later today, but it has not happened yet. We must therefore consider the new clause as introducing an appeals procedure under the Bill as it was presented to the House and considered in detail in Committee. It therefore does not wash for the hon. Gentleman to say that the new clause does not fit the Bill.

The hon. Gentleman says that there is no requirement that the appeal process must result in the Minister accepting the recommendation. However, that is a point in favour of the new clause and shows how reasonable it is. If, for instance, some sensitive information comes to light in the context of the security service, the Minister can take that into account, even though the tribunal that I propose to set up perhaps would not have been able to do so in its considerations. Again, that argument is not a valid objection to the new clause. The other point that I find odd is that three years ago the hon. Gentleman said that he was neutral on the new clause. Now he is allying himself against it, but he has not produced any arguments in support of that position, other than the fact that those on his Front Bench are against it and he perhaps thinks that it is in his best interests to go along with them.

I much enjoyed the contribution that the hon. Member for Montgomeryshire made. He shows himself to be a person of generous spirit. We obviously wish him well in his campaign to become the president of his party—some of us wonder why he is not setting his sights even higher, to become leader of his party. I think that he would be the first Estonian-born leader of the Liberal Democrats or, indeed, of any party in this—

**Mr. Deputy Speaker:** Order. I hope that the hon. Gentleman will allow me to point out that this appears to be outside the scope of the new clause.

**Mr. Chope:** Absolutely, Mr. Deputy Speaker; although if the hon. Member for Montgomeryshire was engaged in that activity, he would not have been with us today, and we have all benefited from his contribution to the debate.

My hon. Friend the Member for West Chelmsford (Mr. Burns) was polite but quite persistent in suggesting that the terms of my new clause were not robust enough. He persisted in his criticisms in a series of interventions during my introductory remarks and said that we needed a much more watertight appeal mechanism. As I said earlier, new clause 1 is a lot better than it might otherwise have been. Because we are potentially dealing with security issues, there is a reason to say to the Government, "Well, there may be circumstances in which you won't be able to accept the recommendations of a tribunal," although I would hope that that would happen in the minority of cases. However, we have made a reasonable attempt to secure a form of words that could not be criticised on the grounds that I am being naive about national security. There is no reason why a tribunal would necessarily be able to have before it all the information relevant to national security matters. That is why there should be a residual discretion, to be exercised reasonably by the Government, in considering the appeal process.

My hon. Friend also asked why we could not have an appointments commission deciding on the composition of the tribunal. Again, I do not disagree with the principle of the idea, borne out of his strong and understandable feeling that too many appointments to bodies are rigged by the Government. The proposal has not been included in the new clause, again because we hope that the Government would be more benevolent in their outlook and not feel the need to pack a tribunal with its own devotees, but instead be quite content to let people with objective judgment and experience take on that role.

My hon. Friend also said that new clause 1 should contain a requirement that we see the draft regulations first. As I pointed out to him, there is nothing in the proposal that precludes the provision of draft regulations, and it would indeed be desirable to see the regulations in draft so that they could be the subject of consultation. Such consultation would not, however, mean that the regulations would be acceptable either to me or to other hon. Members. It is within the Government's remit to decide what the regulations should be. My hon. Friend also expressed his concern about the European convention on human rights and wondered whether there would be a duplication involved.

The most pertinent comments, which went to the heart of the issue, were raised by my hon. Friend the Member for Tunbridge Wells (Greg Clark). He is an avowed and unapologetic supporter of the Bill, and he is concerned that the Government say that they support it yet are not prepared to introduce such a measure in Government time. He is also worried about the proliferation of public bodies, and I share that concern. I would be happy to work with him, as we prepare for government, to draw up an agenda for significantly reducing the number of such bodies.

My hon. Friend pointed out that I had been unable to produce a broad estimate of what the proposal might cost. I could not do so because the cost would depend on the behaviour of the Government and the discretion that they would give themselves under the provisions of clause 2. My hon. Friend the Member for Gainsborough (Mr. Leigh) said that any additional costs would pale into insignificance compared with the torrential waste that occurs in so many Government Departments at the moment. For example, only a few weeks ago, somebody called Wanless, who had

*[Mr. Chope]*

previously proposed that we should spend vast extra sums on the health service, said that most of that money had been wasted. We are talking about the waste of a huge proportion of public expenditure.

My hon. Friend the Member for Tunbridge Wells also spoke about judicial review, and seemed to think that that option was available and that that was no big deal. I would simply say to him that to expect people to apply for judicial review in order to obtain justice in relation to job applications is asking the impossible. Judicial review is a long, and very expensive, process. In planning cases, for example, even after they have gone to judicial review and the process has been found to be faulty, the arrangements do not deal with the substance of the matter, which is what people are normally concerned about. Judicial review would not deal with the substance of the complaints of people who felt aggrieved about the operation of the provisions.

My hon. Friend said that people need a genuine right of redress but that giving the Government the discretion to decide whether to accept the provisions would result in something less than such a genuine right. I accept that, but national security matters could be raised in this context, and it is better to leave some discretion to the Government. At that point, Mr. Deputy Speaker intervened to prevent us from getting into a discussion about Equitable Life.

Let us conclude with what the Minister had to say. She referred to bureaucracy and felt that the proposals were unjustifiable and unnecessary. She said that the Government supported selection on merit—don't we all! The message that should come out of today's proceedings—

*It being half-past Two o'clock, the debate stood adjourned.*

*Debate to be resumed on Friday 26 October.*

**Paul Farrelly** (Newcastle-under-Lyme) (Lab): On a point of order, Mr. Deputy Speaker. A number of important Bills appear on the Order Paper today, including my own Bill to try to stop discrimination against agency workers. There is a Bill on trade union rights and one on age-related macular degeneration, which causes blindness in 40 per cent. of the population. There is also an important Bill that deals with free prescription charges for cystic fibrosis sufferers. Will you therefore advise me, Mr. Deputy Speaker, on behalf of the millions of vulnerable people affected by those Bills and also on behalf of the people in the Gallery, including the schoolchildren there, how I can put on record my dissatisfaction with the antics of a small Conservative wrecking crew that has stopped us from considering those Bills?

**Mr. Deputy Speaker:** First, I should say that references to people or persons outside this Chamber are not in order. Secondly, the hon. Gentleman knows perfectly well what the rules of engagement are in respect of the availability of private Members' time. Clearly, far more private Members' Bills are proposed during a Session of Parliament than the amount of time available for their expeditious disposal. Inevitably, we reach a point where, because of consideration of the Bills that have priority according to the ballot conducted at the beginning of a Session, many other Bills will not make progress. However, matters that are thought to be of general interest often have a habit of coming back again—and some eventually succeed.

**John McDonnell** (Hayes and Harlington) (Lab): Further to that point of order, Mr. Deputy Speaker. May I ask Mr. Speaker to examine the case for granting a private Member's Bill that has reached this stage and been accorded such priority by the House some sort of carry-over process similar to the process applied to Government Bills?

**Mr. Deputy Speaker:** I would say that many changes in procedure take place over the years. The hon. Gentleman might wish to write about that to the Chairman of the Modernisation Committee, or, indeed, to the Procedure Committee.

## Remaining Private Members' Bills

### TEMPORARY AND AGENCY WORKERS (PREVENTION OF LESS FAVOURABLE TREATMENT) BILL

*Order read for resuming adjourned debate on Question [2 March],* That the Bill be now read a Second time.

**Hon. Members:** Object.

*To be read a Second time on Friday 26 October.*

### TRADE UNION RIGHTS AND FREEDOMS BILL

*Order for Second Reading read.*

**Hon. Members:** Object.

*To be read a Second time on Friday 26 October.*

### AGE-RELATED MACULAR DEGENERATION BILL

*Order for Second reading read.*

**Hon. Members:** Object.

*To be read a Second time on Friday 26 October.*

### CYSTIC FIBROSIS (EXEMPTION FROM PRESCRIPTION CHARGES) BILL

*Order read for resuming adjourned debate on Question [23 March],* That the Bill be now read a Second time.

**Hon. Members:** Object.

*To be read a Second time on Friday 26 October.*

### TERMINATION OF PREGNANCY BILL

*Order for Second reading read.*

**Hon. Members:** Object.

*To be read a Second time on Friday 26 October.*

### LAND USE (GARDENS PROTECTION ETC) BILL

*Order read for resuming adjourned debate on Question [2 February],* That the Bill be now read a Second time.

**Hon. Members:** Object.

*To be read a Second time on Friday 26 October.*

**PROVISION OF PALLIATIVE CARE BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*To be read a Second time on Friday 26 October.*

**TELECOMMUNICATIONS MASTS (PLANNING CONTROL) BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*To be read a Second time on Friday 26 October.*

**RETAIL PACKAGING RECYCLING BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*To be read a Second time on Friday 26 October.*

**FIXED TERM PARLIAMENTS BILL**

*Queen's Consent not signified.*

**John McDonnell:** On a point of order, Mr. Deputy Speaker. Is there a way of recording that the Trade Union Rights and Freedoms Bill was objected to and opposed by the Government?

**Mr. Deputy Speaker (Sir Alan Haselhurst):** The answer is no, but the hon. Gentleman has just put a point of order that may convey the same information.

## Queen Mary's Hospital (Sidcup)

*Motion made, and Question proposed,* That this House do now adjourn.—*[Alison Seabeck.]*

2.37 pm

**Derek Conway** (Old Bexley and Sidcup) (Con): May I thank Mr. Speaker for allowing me this brief debate on the future of services at Queen Mary's hospital in my constituency in Sidcup? I thank the Under-Secretary of State for Health, the hon. Member for Brentford and Isleworth (Ann Keen), for being in her place to reply today. I am also delighted to see my hon. Friend the Member for Bexleyheath and Crayford (Mr. Evennett), who has been at the forefront of the campaign to protect our services, the hon. Member for Erith and Thamesmead (John Austin), who shares with us representation of the borough of Bexley, and our parliamentary neighbour the hon. Member for Eltham (Clive Efford). I hope that they will catch your eye later, Mr. Deputy Speaker. I will not make my remarks overlong so that, with your consent, they can contribute to the debate.

This matter is of enormous concern in Old Bexley and Sidcup, the borough of Bexley and the neighbouring areas that use the facilities at Queen Mary's hospital in Sidcup. Like many hospitals across the country, it has had severe financial problems. The four acute hospitals in south-east London, three of which have private finance initiative status and were new builds, have had special difficulties. Queen Mary's hospital is much older, but in 2005 it still had a £20 million deficit. That has been reduced this year to just under £2 million—£1.8 million. That required an enormous effort by the clinical staff at the hospital in how they go about their business, and by the administrative and management staff. The turnaround has been remarkable, and they should be congratulated on and praised for that.

As the Minister will no doubt tell the House, the cost of operating at hospitals is based on a cost average set at 100 points on the scale. In 2005-06, Queen Mary's was just over that at 104 points, but that is because it was frequently paid under tariff by our local care trust. This year, it is below that 100-point tariff. The institution is now financially efficient in the health care that it provides. There were more than 23,000 emergency and 3,000 elective in-patients over the past year. There were 16,500 day cases, and 52,000 new out-patient appointments. There were 132,000 follow-up out-patient appointments. The number of patients treated is of a high order at this very effective local acute hospital.

The accident and emergency department is under threat of closure, which is obviously of major concern. Over the past year, 74,682 people attended the department, of whom 10,803 had to be admitted. There is clearly great demand, and people are given very efficient treatment: 98 per cent. of those patients were seen and treated, discharged or admitted in under four hours. Not only is Queen Mary's financially viable, but it has one of the most efficient accident and emergency units in the country. That is why we are concerned about the clinical proposal to cut provision from four hospitals to two. There would not be enough beds, doctors or space. Super-trauma centres may be

*[Derek Conway]*

the way of the future, but people are worried about whether they will be able to cope with the volume.

Of particular concern to those of us who represent London areas, particularly in south-east London, is travelling time. It is not so much the distance that is the problem. The journey from the gates of the House of Commons to the boundary of my constituency can take 40 minutes—legally—but it can also take as long as two and a half hours, with great deal of bad language and bad traffic.

The maternity unit at Queen Mary's is under threat of complete closure. Some say that a midwifery unit may remain, but at the moment nothing is intended to remain. Yet the maternity unit is superb. It has been clinically assessed as being at level 2, which is the highest rating in the London area. Last year it dealt with 3,021 births. People keep telling me that the number of births is falling, but that is not borne out by the figures. This year, the number has risen to 3,360.

As the Minister will know, the Royal College of Midwives has set 3,000 births a year as the benchmark for an acceptable and viable unit for training midwives. Although those of us with children will pay tribute to the services and expertise of midwives, a midwifery unit alone is clearly not enough. My elder son was born in distress and required surgical intervention to arrive safely with us. More than 20 per cent. of births in this country require surgical intervention, which a midwife cannot provide. A midwifery unit alone will not give our constituents enough reassurance. I am sure the Minister will be concerned to learn that the United Kingdom is now 19th in the world survey of birth safety. We hoped that the situation would get better, not worse.

Although Queen Mary's is one of our older hospitals, its infection rate is much lower than those of many of its neighbours, especially those in London. There were no cases of MRSA—I hope the House will forgive me if I do not give the name in full; that would be too much of a challenge—in June, July or August. Two years ago there were 41 cases; the number was down to 12 this year. The number of cases of clostridium difficile fell by 30 per cent., against a national rising trend, and the board has allocated an extra £500,000 for cleaning.

This is a hospital that is serving the community well—it is both cost-effective and clinically effective—and has a lower rate of infection than is found elsewhere. Despite all that, however, it is subject to perpetual rumour and speculation, which undermines public confidence and is understandably of great concern to the excellent men and women who work at the hospital and provide us with such cover. The panic locally was started by Lord Warner, a former Health Minister in the present Government who has been appointed chairman of the NHS provider agency.

When the four acute boards were instructed to merge their chief executive posts, no account seemed to be taken of the £3 million or £4 million redundancy costs that that would involve for senior staff. At a number of meetings, Lord Warner has said that he would like to see the Queen Mary's site cleared for housing, which gives us no reassurance at all. Although the site near the A20 is no doubt valuable, we would prefer it to be kept for a hospital.

There are clinical proposal groups which will report by the end of the month. They will go to Professor Alberti for scrutiny. We all wonder what the Darzi plan overlay will be for that, because everything seems to be very confusing. There is a tremendous race to get all this done by mid-December before Christmas, so a valued local hospital and dedicated staff are being pressured into accepting something they do not wish to happen.

There have been problems at the hospital, but they have been met, despite the hospital not having a financial level playing field for a number of years. We accept that there must be some changes. Nobody is sticking their head in the sand. What is confusing, however, is the number of fingers in the pie. NHS London seems to be wobbling all over the place. Who will count, Darzi or Alberti? Will the clinical boards take into accourft travel times? I am told that that is not part of their remit. The "A Picture of Health" consultation is being steamrollered through, so the number of hospitals will fall from four to two with no one sure what is intended. The care trust has got its finger in the pie, and the acute trusts are all over the shop. Meanwhile, behind the scenes, Lord Warner pushes on through the swirling, confusing mess.

I have a warning for the Minister. We are glad that she is present, and we look forward to hearing what she says, but those who stand behind her who are creating this swirling mess need to know that closure of the hospital will be bitterly opposed.

2.46 pm

**John Austin** (Erith and Thamesmead) (Lab): The hon. Member for Old Bexley and Sidcup (Derek Conway) has highlighted the anxiety felt by his constituents and those of other Members present. People are attached to their local hospitals for very good reasons, and he has identified some of the reasons why so many people are attached to Queen Mary's, Sidcup.

We need an assurance from the Minister that there will continue to be four hospitals serving the boroughs of Bromley, Bexley, Greenwich and Lewisham, whatever the outcome of the consultations. Queen Mary's has been financially challenged, but there has been a turnaround both financially and in quality of care.

The Bexley Care Trust is, however, more financially challenged, and some of us fear that some of its proposals have been financially driven rather than patient-driven. Maternity services offer an example of that. According to the Royal College of Midwives, a unit needs to have 3,000 births per year to be registered for training, and it also needs to meet that target for the Royal College of Obstetricians and Gynaecologists to be able to guarantee obstetric cover. The care trust has told us that the number of births has been falling below that. I would be the first person to say that the unit might need to change if it were not meeting such targets, but the care trust made its calculation in terms of the places it had commissioned at the hospital, ignoring those coming from the constituency of my

hon. Friend the Member for Eltham (Clive Efford) and from Bromley. As the hon. Member for Old Bexley and Sidcup said, there are more than 3,000 births this year, and there is no reason to close the maternity unit on the grounds that it cannot meet the RCM or RCOG figures.

With accident and emergency, I accept that there might be an argument for change. There might be a cogent argument for there to be fewer accident and emergency units. If I suffered a stroke or a cardiac arrest, I would not necessarily want to be taken to my nearest accident and emergency unit. If I had a stroke, I would want to go to a specialist unit where a proper diagnosis could be made instantly as to what kind of stroke it was, so that the right treatment could be given—and similarly with cardiac arrest. However, the proposal that Bromley, Lewisham, Greenwich and Bexley should go from having four acute trauma and accident and emergency units to two shows complete ignorance of the traffic situation in that area and the transport infrastructure.

I also think the proposals are premature. There is a great deal of merit in what Professor Darzi has suggested about, for example, the treatment of stroke and cardiac disease. Let us consider other conditions, too. If someone close to me had breast cancer I would not want them to go to the nearest general hospital to be seen by some general surgeon who does a bit of this and a bit of that. I would want them to go to a specialist unit. There is an argument for the concentration of specialist services in centres of excellence.

There is also much merit in Lord Darzi's proposals for local elective centres. At the end of the day, Queen Mary's might become a centre of excellence, dealing with very real needs in the community—hips, knees, hernias, routine gynaecology and cataracts. That would not be a downgrading of the hospital, as long as it continued to provide 24-hour emergency care for people who are not blue-light emergency cases. It would be providing a vital service.

However, all such discussion is premature, because we have not yet had the debate about Darzi and what kind of health service we want for the next five or 10 years. I want an assurance from the Minister that we will not be reduced to only two hospitals serving our area—that there will continue to be four hospitals, and that the decisions will be about what services are provided at which hospital, and which services might be more effectively provided in the community.

I say this to the Minister: if the proposed changes are patient-driven and can be proved to be safer and more effective and have better outcomes for my constituents, my hon. Friend the Member for Eltham (Clive Efford) and I shall support the Government. However, if we are not convinced that they are safer and offer better outcomes for our constituents, and we think that they are financially driven, we will join Opposition Members in opposing the proposals.

**Several hon. Members** *rose—*

**Mr. Deputy Speaker (Sir Alan Haselhurst):** Order. I should say to hon. Members with an obvious interest in the debate that I have to protect the hon. Member for Old Bexley and Sidcup, who secured it, by ensuring that there is a full ministerial answer to what is obviously an important local matter.

2.51 pm

**Mr. David Evennett** (Bexleyheath and Crayford) (Con): I congratulate my hon. Friend the Member for Old Bexley and Sidcup (Derek Conway), my constituency neighbour, on securing this important and much-needed debate. The future of services at Queen Mary's hospital in Sidcup is a major concern to my constituents and there is real fear locally about the possible closure of the accident and emergency and maternity units. There is also concern about a downgrading of services across the board in that excellent hospital. Queen Mary's is much loved, used and supported not only, as we have heard, by people in the borough of Bexley, but by those from across the border in Bromley and Greenwich.

My late dear father Norman Evennett was treated superbly by the accident and emergency unit at Queen Mary's last year. The continuing excellence of the professionalism and commitment of the medical staff has been evident from that emergency, which I experienced personally, and from the experiences that constituents have told me about. The maternity unit is extremely popular with my constituents; many new mothers express to me great satisfaction with the service that they have received from it. However, they are concerned about its future viability.

My hon. Friend has explicitly and effectively put forward his concerns. I share them; I have campaigned on all those points in public—in meetings with the Bexley Care Trust and with the chief executive of Queen Mary's. I pay tribute to all the local people campaigning against cuts in vital services—I am thinking of the petition in the *Bexley Times* and of Councillor Sharon Massey, the Bexley council cabinet member for social services, who is campaigning with us to save vital services in our borough. I am, however, disappointed that Bexley Care Trust has not been more robust in its support for Queen Mary's hospital, fighting for vital local services for the people of our borough.

My hon. Friend referred to the fact that Queen Mary's has had problems in the past. We acknowledge that, but we should also give credit to its chief executive, Kate Grimes, and her team for their work in turning round the hospital's problems. This week, we have heard debates and comments about hospital infections—Queen Mary's has done superb work in removing hospital infections, particularly MRSA; it has done superb work on the clinical front as well.

My constituents have been writing to me. I shall quote just two of them. One wrote:

"In the event of A & E closing, to which hospital will its patients from Bexley be taken, and will this hospital, or hospitals, be able to meet the four-hour deadline with the extra 223,000 patients?"

As my hon. Friend mentioned, the real concern is that if we cut back or downgrade the services at Queen Mary's and if there are accident and emergency units only at the other three hospitals—or perhaps two; the hon. Member for Erith and Thamesmead (John Austin) has highlighted that fear of ours—the extra time taken to get people to those units could prove disastrous.

*[Mr. David Evennett]*

Another constituent said:

"The withdrawal of any of the services at Queen Mary's can surely only be to the detriment of the community and any proposals to do so appear to be based on financial considerations rather than health ones."

We look to the Minister and the Government to deal with this issue. Yes, there have to be changes; we know that nothing stays the same, as my hon. Friend the Member for Old Bexley and Sidcup said. However, we must make sure that the changes are driven by clinical, not financial, considerations. Many of us worry that the good facilities that we have will be undermined for financial reasons, and not in the pursuit of clinical excellence.

I realise that time is pressing and that I must conclude, Mr. Deputy Speaker. If our accident and emergency units and maternity units are removed from QMS, Bexley alone of the four boroughs will be without the facilities that Bromley, Greenwich and Lewisham have. That is neither fair nor acceptable, and it will result in an inferior service for my constituents, those of my hon. Friend and those of the hon. Member for Erith and Thamesmead. Vital services should not be cut. The medical care of our constituents requires a decent service at Queen Mary's. I hope that the Minister will take that on board.

2.56 pm

**Clive Efford** (Eltham) (Lab): I am grateful to you for calling me, Mr. Deputy Speaker, and may I also thank the hon. Member for Old Bexley and Sidcup (Derek Conway) for giving me this opportunity to make a contribution? I will be brief, and I will take your guidance.

There are some who, in local papers and other local forums, are trying to portray what is happening as cuts, and I want to put the situation in context. Back in 1997, more than 14,000 people were waiting longer than 13 weeks for treatment in the four hospitals in the area; that figure is now down to 1,394. In 1997, 4,619 people were waiting more than 26 weeks for treatment; this July, that figure was down to just one—across the four hospital trusts. Between 2003 and 2008, Greenwich PCT had an increase of £133.4 million, and Bexley PCT one of £100 million. Across the four PCTs, the increase has been £518.7 million, so we are not talking about cuts in hospital and health service expenditure. We are talking about a reconfiguration of services to meet the modern needs of our NHS—new drugs, new forms of treatment and patient choice.

My PCT is about to consult on the reopening of a town centre cottage hospital in my constituency, which was closed several years ago, as a 24-hour, seven-days-a-week, walk-in GP treatment centre. That proposal is enormously popular in my constituency and people are very happy about it, but it is bound to have an impact on services elsewhere. But that is not cuts; it is meeting local patient need through the reopening of that hospital.

I accept that services have to change, but we have to move forward on the basis of four hospital sites that each have urgent care facilities. The most urgent and traumatic cases must be dealt with in centres that can provide treatment safely and in a modern setting, providing people with timely interventions that increase the likelihood of survival and of making a full recovery. That is what we are duty-bound to deliver and what our constituents deserve, and it is what we must strive for. There should be no scaremongering about cuts; rather, we should be talking about improving the service. I will accept changes that will improve the service for my constituents, but I am not going to accept changes forced on us because of financial considerations. That is the basis on which we must move forward, and on which Ara Darzi and others must consult my constituents.

2.59 pm

**The Parliamentary Under-Secretary of State for Health (Ann Keen):** I congratulate the hon. Member for Old Bexley and Sidcup (Derek Conway) on securing this debate on the future of Queen Mary's hospital, Sidcup. I also thank those of my hon. Friends and other hon. Members who have participated so well in the debate and shown passion for and concern about their local NHS—a passion and concern that we all share nationally regarding the changes that we are to make in the health service. I know that this issue is of concern to the hon. Gentleman and his constituents, and I appreciate the comments that he and others have made in the House today.

I also congratulate Queen Mary's Sidcup on how it has turned itself around—I acknowledge the remarks and tributes of the hon. Member for Old Bexley and Sidcup at the beginning of this debate—and staff in south-east London on the hard work that they have put into improving services and performance. Millions of people are receiving high quality and safe services every day. The best of the national health service is among the best health care in the world. We should all be proud of its achievements and, given the comments made in this House today, I know that all hon. Members are.

For that reason, I understand that when we talk about potential changes in services, it leads to huge public interest, debate, and, in some cases, anxiety. I recognise that change is difficult and appreciate that it can provoke powerful reactions from stakeholders. When people talk about the reorganisation of services, they think that it is about saving money; it is not. It is about saving more people's lives and making care more convenient for local people.

Lifestyles, society, medicine, technology and the NHS itself have all changed over the past 60 years. Medicine is, and always should be, dynamic. Change is nothing new in the NHS. It has always responded to change and the latest treatments by organising itself to deliver that care. We are responding to a variety of drivers for change now.

The aim of the "A Picture of Health" project is to improve the quality, safety and patient experience of local services. That can be achieved only through changes in how those services are delivered. The proposed benefits to patients will be services available closer to their home and specialist hospital services concentrated closer together. That is the aim of all reviews and of this one in particular. That approach will improve patients' experience by providing safer

services and ensuring that all specialists have the appropriate experience and expertise.

The "A Picture of Health" project is clinically led. Clinical staff across the four outer south-east London boroughs and in the four hospital trusts take a lead in determining how services should best be delivered in the future in those four trusts. More than 100 hospital-based staff took part in a plenary session held on 25 September and further consultation with clinical staff working in the community is also taking place. In addition, there has been strong stakeholder engagement throughout late 2006 and 2007, beginning with "The Big Ask" website consultation run by Ipsos Mori from October 2006 to January 2007 and continuing with four public engagement events.

The national clinical advisory team, under Professor Sir George Alberti's leadership, is reviewing the emerging options for change during October 2007, giving further assurance that the clinical case for change can be delivered. Further to the events organised during September and October to gather opinions from clinical staff, Sir George Alberti is talking to a wide range of local stakeholders during October and there will be two public feedback events ahead of full public consultation. Examining the health service involves such a dramatic change, and this is a good way of consulting. I know that all hon. Members will take part in those consultations with their constituents.

As part of the consultation, I also understand that Sir George Alberti visited Queen Mary's Sidcup yesterday morning and discussed the case for change and the emerging proposals with a range of doctors and other health professionals. Perhaps hon. Members would like to look into what happened following those discussions. I believe that there will be an opportunity for the hon. Member for Old Bexley and Sidcup to discuss any concerns that he has with Sir George before he concludes his review. I reassure him that consultation on proposals for service change will not begin before Sir George has reported on his review.

I appreciate the great interest that the hon. Gentleman has taken in the review at a local level, and the way in which hon. Members have spoken in this debate. I understand the specific issue that the hon. Member for Old Bexley and Sidcup has raised today in relation to the "A Picture of Health" programme.

On 30 August, Lord Warner, the chair of the NHS London provider agency, agreed with the chairs and chief executives of the four hospital trusts that a proposal for a single executive team across all four trusts should be looked into. Each of the four trusts is currently assessing, individually and collectively, the merits of establishing a single executive team to support their own separate trust boards, which would be retained. A final decision has yet to be taken, but I understand that this proposal could help to facilitate the significant change programme across the local health economies and enable the development of services that will provide best value for money in the future.

The four south-east London trusts are on the Department's list of financially challenged trusts. The NHS London provider agency continues to work with each trust to develop a range of options for solving the indebtedness while maintaining standards of patient care and value for money. Our Department is working closely with strategic health authorities to identify long-term solutions for the trusts. I must reiterate that this work is not the driving force for the review of services—that is the clinical case for change.

**Derek Conway:** I understand what the Minister is saying and this is a helpful reply. Can she assure the House in relation to Lord Warner's activities that no chairman or chief executive of any of those four acute hospitals will be dismissed if they object to the way in which he is driving the measure behind the scenes?

**Ann Keen:** The hon. Gentleman's point is valid, but it would not be appropriate for me to comment while the executive team is looking at the structure.

I am assured that Queen Mary's Sidcup will not close as a result of the "A Picture of Health" programme, and that any future disposal of land at Queen Mary's Sidcup would only involve land no longer needed for patient services. Assuming that proposals for change in the "A Picture of Health" programme also proceed to public consultation, it is for the local NHS to ensure that there are appropriate consistencies between the two consultations—

*The motion having been made after half past Two o'clock, and the debate having continued for half an hour,* MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

*Adjourned at seven minutes past Three o'clock.*

# Westminster Hall

*Tuesday 9 October 2007*

[MR. ERIC ILLSLEY *in the Chair*]

## Speech, Language and Communication

*Motion made, and Question proposed,* That the sitting be now adjourned.—*[Mark Tami.]*

9.30 am

**Mr. Eric Illsley (in the Chair):** For the benefit of hon. Members, let me say that we shall be working to the middle annunciator on the wall and that I intend to call the Front-Bench speeches no later than 10.30.

**John Bercow** (Buckingham) (Con): Good morning, Mr. Illsley. In welcoming you to the Chair for what is the first Adjournment debate in Westminster Hall since before the summer recess, I confidently look forward to your firm, fair and wise stewardship of our proceedings.

On 3 September this year, I was pleased to accept the invitation extended to me by the Secretary of State for Children, Schools and Families, supported by the Secretary of State for Health, to lead a review of services for children and young people with speech, language and communication needs. The review is charged with advising the Government of the day on the range and composition of the universal and specialist services that will be required to meet, in an affordable manner, the diversity of needs that exist. It will also consider how planning, performance management and effective co-operation nationally and locally can spur beneficial early intervention with the effect of securing improved services. Furthermore, it will look at those examples of best practice in the commissioning and delivery of services that could usefully be regarded as benchmarks for the wider development of services across the country.

That is quite a broad remit, and within it fall a large number of issues, on which I do not have the time, and I do not intend today, to focus, although I should like to address some of them. That, however, is the background to the events that are likely to unfold over a period of months. It is also probably as well to say that when this Adjournment debate was secured on 25 July, courtesy of the ballot undertaken in Mr. Speaker's office, I had it in mind, as a result not least of discussions with a range of interested parties, to highlight a series of quite specific issues, and it is on those that I shall concentrate the thrust of my remarks.

It is probably a good idea to set out the background to our consideration of these important issues. In other words, what is the problem? Approximately, 5 to 8 per cent. of pre-school children suffer speech, language and communication problems, and the figure rises to 10 per cent. for children of school age. About one in 500 children suffers a severe and intractable communication impairment. That is the context that right hon. and hon. Members need to address in considering these issues.

I want to focus specifically on three main areas and then listen intently to the contributions from colleagues on both sides and the Minister's response. I want to say something about training and co-operation in the delivery of services, and about the statementing process. I have agreed with the Secretary of State that the review is not intended to reopen the question of Government policy on statementing, although I confess that the Government have not quite got it right at the moment. The Secretary of State has agreed, however, that I certainly am entitled to look, and should look, if the review is to be complete and full functioning, at the impact of statementing on children with speech, language and communication impairments, because that is fundamental. I want to look at language units, which are often a proper source of provision for the affected category of children. There are a number of issues relating to language units on which we need to focus and which should be proper matters for consideration in the review.

What is to be said about training and co-operation? Good work is being done out there; there are some excellent professionals and there are examples of good practice. I say that at the outset for the avoidance of doubt, lest anybody think that I am seeking to create an impression of doom and gloom. I am not seeking to do that, because that would not be justified, but there are legitimate concerns about public policy and current practice, and the Government must take those into account if they are to build on the work that they have done in recent years.

I have been struck by the survey evidence that I have seen and by two pieces of evidence in particular. A YouGov survey undertaken for the Communication Trust showed that 73 per cent. of adults in contact with children in schools did not believe that they had had any training that would equip them adequately to cope with children who suffered speech, language and communication impairments. That is a significant deficit, which we need to address. The second piece of opinion polling evidence that struck me as relevant was the finding in the poll undertaken by the National Union of Teachers, which showed that only 32 per cent. of respondents felt confident in accommodating and dealing with children who suffered speech, language and communication impairments. A large number of professionals therefore say that they have not had the necessary training and only a small proportion of teachers—less than a third—feel comfortable enough to deal with the client group with which I am concerned.

That evidence seems to highlight the importance of the inclusion development programme. I am conscious that that programme is now to be unveiled and rolled out—relatively widely, I hope, across the country—but there are issues that the Government need to consider. First, there is the perennial issue of funding. Have we got the wherewithal to make this a meaningful commitment? Secondly, will the Government, in upskilling the entire work force, as the evidence that I have adduced demonstrates is necessary, take proper account of the need to make a greater priority of ensuring that there are sufficient specialists who will be able to address the needs of children with more severe impairments? In other words, we can upskill the general work force to deal with the relatively widespread but modest impairments from which children suffer—that is one issue—but we must also ensure that we have sufficient skilled specialists to provide the expertise and intensity of care that the more serious sufferer requires.

Finally, I ask the Minister not to discount the likelihood that, as a consequence of unveiling the programme and, as I hope right hon. and hon. Members will understand,

*[John Bercow]*

raising expectations, he will generate an increase in demand for the very services on which my review must focus. It is a question, therefore, not only of whether there are sufficient resources today, but of whether the resources are likely to be adequate as events unfold in the months ahead.

**Dr. Ian Gibson** (Norwich, North) (Lab): I congratulate the hon. Gentleman on raising this subject and endeavouring to move things forward, and I am sure that we shall all play our part in supporting and helping him. I just wanted to point out that the title of the next debate suggests that health funding can lead to inequalities in the system. I am very interested, as I know the Government are, in inequity and inequalities in this country. Will the hon. Gentleman address that problem and realise that somebody such as Stephen Hawking, who is very creative, can access equipment that people in other parts of the country find difficult to access or to get support or continuing funding for? There is an inequity problem that I hope the hon. Gentleman will address in his review.

**John Bercow:** That is a fair point—the short answer to the hon. Gentleman's question is yes, I will. In the terms of reference agreed with the Department for Children, Schools and Families and the Department of Health, we have factored in the requirement to look at the circumstances of people from lower socio-economic backgrounds and those from areas of significant deprivation because problems in those communities can be intense. I accept the salience of the hon. Gentleman's point. As in so many other walks of life, people who have means or who have contacts and therefore access to means are able better to cope with their significant difficulties than those who do not have such means or access to contacts who could provide means. I hope that, I have reassured the hon. Gentleman that although his concern will not be the only or prime focus of the review, it must be part of the equation.

I spoke about training and co-operation and I shall now say something about the need for that co-operation. In acknowledging that important work has been undertaken and that good examples of effective practice can and will be identified, we cannot shy away from the fact that there are significant challenges, to put it fairly and dispassionately, which are represented not least by some of the critical reports that have been issued in recent months. The Minister may recall that we last debated these matters on 28 November 2006. Since then, there have been no fewer than four reports that, in one form or another, posed a significant challenge or raised a pertinent question.

A report from the National Audit Office focused specifically on the subject of the Sure Start children's centres. It perturbs me that the report said that, of 27 centres surveyed, only five demonstrated a close working relationship with a local primary care trust. That is not good enough. I accept that the children's centres, which are a welcome development, are of recent origin, so I am not saying that they should be damned for ever or seriously lambasted, but there is a policy failure and the NAO properly drew attention to it. The Audit Commission has also produced a report, which lamented the lack of multidisciplinary support services at local level. An Ofsted report said that standards in communication in schools were lower than expected. Finally, a report from the Public Accounts Committee explicitly said that more had to be done to meet specific needs such as the requirement for speech and language therapy.

I hope that the Minister will take note of those reports in a constructive spirit and agree with the general proposition that they underline, perhaps most strikingly of all, the need for co-operation at all levels—among practitioners on the ground who are charged with the delivery of services, between schools and local authorities and, critically, between local authorities and PCTs. The issue of joint protocols or concordats from PCTs and local authorities would perhaps be a portent of better things to come. It would be a sign that they accepted a responsibility to translate the theory of joined-up working into demonstrable practice—demonstrable not only to service providers and those responsible for strategic management, but to the recipients of services. Such co-operation, joint working and a sense that we have an obligation to seek to provide so far as possible a seamless service is of the essence.

I should emphasise how incredibly important joint working and a seamless service are as far as children are concerned. Specialists in the field generally conclude that one of the best predictors of, or guides to, the outcome for the child is whether the agencies concerned come together early and meet as necessary relatively often, both to plan what to provide to the child and to monitor how those provisions work, and to improvise as necessary. I say that in the context of what I believe Members on both sides of the House will accept as the basic fact of the enormous benefit of early intervention and the huge danger of its absence. Simply stated, the benefit of early intervention is that children can have teething problems addressed, as it were, and they will then be in a position to access the national curriculum and to fulfil their potential.

The Government have signed up to the principle of early intervention. The downside of its absence is difficult to overstate. I do not in any sense seek to be melodramatic about it and I am working simply on the basis of what I understand, as an interested lay person, to be the evidence. If there is no early intervention, there is a risk of emotional and psychological difficulties, behavioural problems, lower educational attainment, poorer employment prospects, persistent communication handicap, challenges to mental health and, indeed, in the worst-case scenarios, a descent into criminality. If we are to avoid that grisly scenario, we must ensure that agencies come together early, regularly and effectively to translate the aspiration of good policy into practical effect at local level.

**John Barrett** (Edinburgh, West) (LD): Does the hon. Gentleman agree that another important aspect of agencies working together is that parents and other non-educational sector interested parties make maximum use of the time that the children affected spend outside their educational establishments? Co-ordination within the educational setting would mean that maximum use is made of the time that a child spends outside it.

**John Bercow:** That is certainly true, in which respect the hon. Gentleman prompts me to make an additional and, I hope, valid observation about the incredibly

important role of parents. They must be a part of the delivery of the best possible care for their children, but information and support for parents is sometimes not what it might be. Parents ought to have some sort of toolkit, the better to enable them to play their part in helping children. That would require effective planning within an educational setting with a view not only to that environment, but to the time that a child spends outside school.

**Hilary Armstrong** (North-West Durham) (Lab): I apologise for being a few minutes late. I should like to invite the hon. Gentleman to follow up on the issue of early intervention. A lot of work has been done on early intervention concerning what does and does not work. Actually, we must be clear about the form that early intervention takes. Some programmes are successful. The incredible years programme—aficionados call it the Webster-Stratton programme—has been rolled out in all Sure Start centres in Wales, and their performance has outstripped that of centres in both Scotland and England. The programme is dedicated and committed and is centred around parents, but it does some important work with children. While looking at early intervention and working with parents, I hope that the hon. Gentleman takes on board work that has shown that we must be clear about which programme is being followed, and that we must monitor programmes carefully to produce particular outcomes.

**John Bercow:** The right hon. Lady makes the point that it is not good enough simply to sign up to the principle of early intervention, but that one must be clear about what form it should take. I do not claim to be an expert, or seek to prescribe a precise blueprint for application across the whole country. That said, she is right that there are examples of obviously good practice that follow a particular model and that could perhaps be benchmarks, as I mentioned at the beginning of my speech, for the development of services across the country. I am not sure that it is for me to invite myself to the project that the right hon. Lady describes, but if she, through her good offices, felt able to weed out an invitation, it is perfectly possible that my colleagues and I might find the time to go there to see for ourselves what good work it is doing.

That is exactly what we want to see—good practice. Actually, we should like to see some examples of bad practice, but not with a view to playing the blame game or because we want to point the finger or to apportion responsibility between one individual and another. At the risk of sounding pious, which I do not intend or want to do, the issue is bigger than that. We are trying to arrive at constructive solutions, so I am very happy to look at what the right hon. Lady suggested. There are of course examples of I CAN programmes, among others, that work very well, but there is a range of different provision, and we should be open-minded in looking at what is effective.

I said that I should like to say something about the statementing process, specifically as it relates to children with speech, language and communication impairments. I hope that the Minister will understand when I say that one of the difficulties that parents have is that there is not always that much material on paper that can be easily viewed and presented to Ministers. It is therefore necessary to some extent to work on the basis of examples heard from reputable pressure groups, and to reach a view about whether those are isolated instances of malpractice, inefficiency or lack of forethought, or whether they are emblematic of a wider trend about which we should be concerned. I am not saying that the statementing process misfires in every local authority in the country, but I believe that the evidence of inadequacy, poor practice and grounds for concern is sufficiently extensive—if not prevalent—for us to need to address the subject.

I have some specific considerations for the Minister and colleagues. I know from the contact that I have had with campaigning organisations and charities in the field—including AFASIC, I CAN, the Royal College of Speech and Language Therapists, the National Autistic Society, and Treehouse, which I had the privilege of visiting earlier this year, to name but a few—that there are anxieties among parents. For example, a lot of parents are actively discouraged from pursuing a statement for their children, or are not even told of the existence of the statementing process. If they come to know about it they are told, "It is very unlikely that you would get a statement; it is not worth trying. There is a Government preference for their reduction and it simply is not the right route to follow. You should go about things in a different way." That can happen justifiably, but it can happen when manifestly the child would benefit from a statement of special educational needs.

I think that we know—and the Minister can testify from personal experience, I am sure—that in a vast number of cases, if a child does not have a statement of special educational needs, he or she is unlikely to receive speech therapy on any sort of regular basis at all. The argument concerning such a child is that he or she is not the most seriously affected, and that school action—or school action plus a bit of monitoring, waiting for the developmental process to happen and an assessment in due course—will do. However, that is the danger; very often if the intervention does not take place, and if nothing is provided by way of speech and language therapy, the problems of those children will be significantly exacerbated, necessitating a greater investment, and more extensive intervention later, or, failing that, leading to the virtual certainty of seriously aggravated difficulties for the individual and probably for the economy and society as a whole.

Some children who do have statements of special educational needs—this is not a party political point; I found examples of good practice in authorities with different political labels around the country, and I found that some local authorities run by my own party were good, while others were very bad—get very little speech and language therapy. It might, for example, amount to a termly assessment and a brief session with a therapist. I put it to hon. Members that when someone has been deemed sufficiently needy to warrant a statement of special educational needs, to get simply a termly session, or a couple of sessions a term, is palpably insufficient.

There are examples of children having to wait a long time between agreement to the statement and implementation of the requirement to provide speech and language therapy. I know of a case—other hon. Members may be able to invoke still worse and more serious cases—in which a child's parents had to wait

*[John Bercow]*

seven months from the time when the statement was agreed to the time when provision was put on the table for the child in the educational setting. There are many instances in which the speech and language therapy is unquantified in the statement—very likely in violation of the letter, and certainly of the spirit, of special educational needs legislation in general and the code of practice in particular—and in which that unquantified commitment is then undelivered. The requirement is unquantified and undelivered and, therefore, the need is unmet. That suggests to me that we should at least consider in the statementing process some sort of scrutiny by an external source of the content of statements, and monitoring of implementation of statements. That failsafe would guarantee to parents that what was in a statement was translated into practice. Parents need that safety valve or reassurance, which is I think lacking at the moment for many children. Let those issues be debated in the course of the review, the visits that we make and the evidence that we receive.

The final issue on which I want briefly to focus is language units. I mentioned that they are often very suitable sources of assistance to affected children. I have declared an interest in this matter before, Mr. Illsley, but for the avoidance of doubt may I declare that interest again, as the father of a child approaching the age of four? My son, Oliver, is in a language unit at a mainstream primary school in Pimlico, and he is getting fantastic help. It is a brilliant unit. He is very fortunate. The unit does not appear to be threatened. Although my interest in the subject of speech, language and communication was, as I have openly and honestly stated, initially founded on and driven by my personal experience, I am not complaining about what my child is getting. We have been very fortunate. Many people have not been as fortunate, and we all have a responsibility to try to do something to better their prospects and improve their care and provision.

What is it about language units that concerns me at the moment? In at least five cases—this is the only point at which I shall name names, of organisations, at any rate—it would be very difficult to ascertain that the local authority provided such units at all. In the cases of Bristol, Durham, Norfolk, Salford and Wandsworth, it is difficult to see from my research and from looking at websites that such a facility is available. The question that I want to ask is, how can parents ask for a place in a language unit if they are not aware of the existence of the unit? The truth is that they cannot.

It seems to me that the wider issue of data collection—having a store of information that is kept locally and perhaps transmitted to the national level—is worth considering in the months ahead. I know of several cases in which people have said, "There is a cut in the number of placements in the units, brought about by the drive to reduce the incidence of statements." If the cut in the number of places were the consequence of a declining need objectively identified, I should not be wasting colleagues' time and yours, Mr. Illsley, complaining about the situation. If, however, the reduction is the result of arbitrary and capricious decisions taken to meet some wider and separate but not necessarily justified public policy, it is a source of concern.

People have reported to me through pressure groups and parents' organisations that a language unit may be gradually run down, and the authority will then say that there is no demand for it. Parents in such authorities have come to me or to colleagues and said, "We were told simply that we had to place our child in a mainstream class"—not in a language unit within a mainstream school—"and we were not informed of the unit's existence as an option at all." That seems to constitute an arbitrary run-down of provision.

I know of instances in which such units have come to house children who are on the autistic spectrum and who perhaps have behavioural, emotional and social difficulties. Although some units can cater to such children's needs, if a child's primary need is not speech and language therapy, one must at least ask whether a language unit is the proper or best place for that child. We must be careful not simply to push children into a particular facility without reference to their objectively identifiable primary need.

The challenges are considerable. The Government have at least three sources of guidance on the stocks, which I think have been publicly released, that are supposed to inform the consultation process on the future of such units. I have raised the matter with the Secretary of State for Children, Schools and Families, and I should like to be clear in my mind that authorities know clearly what those sources of guidance are, that we can establish what mechanism exists for monitoring their enforcement, and whether Ministers are satisfied that the rules are being followed in both letter and spirit.

I raise the issue in such terms because I am not saying categorically that there is a rampant or majority abuse of the procedures. I should not go so far as to suggest anything of the sort, but the evidence that has come to me is more than merely anecdotal. I hope that colleagues will forgive me if I say that the special needs community, although it is gradually becoming more demanding, articulate and vociferous, and rightly so—I am looking at the right hon. Member for North-West Durham (Hilary Armstrong), who had responsibility for social exclusion for a considerable period—is still not particularly powerful.

I have sometimes cavilled when Ministers, or representatives of any party, have said, "Well, of course these matters must all be determined locally. Local education authorities are elected bodies. They must make their dispositions in these matters, and if parents are dissatisfied they can kick out the authority at the ballot box." To that piece of institutionalised cant, I tend to reply, "Get real." For the most part, such parents are few and far between and thinly spread, and they often do not know each other. The idea that by objecting to a particular decision on a given institution in an individual locality they will be able to drive the local authority from office is for the birds. In dealing with vulnerable children, we need protective mechanisms. The Government have a special responsibility, which I am confident they will accept, to monitor what is occurring with a view to securing improvements and redressing bad practice wherever it proves necessary.

The House has indulged me so far, for which I am grateful. I do not think that the issues are ideological at heart. I have reflected on them long and hard. There are differences of emphasis—sometimes quite important

ones—between the advocates of inclusion and those who are absolutely and indomitably opposed to it, but my sense, having mixed with a wide variety of people in the field during the past 18 months, is that most people do not subscribe to either position in its extreme form. Most are fairly pragmatic. They can see the benefit of an eclectic mix of provision tailored to the particular circumstances of individual children, and most are prepared to depend on and be guided by what the evidence proves.

In most cases, it is not an ideological matter or the source of a great philosophical tension between the political parties; it is a question of pragmatics and of trying to bring the big issues to the fore. If the Minister will forgive me—I would say this whomever the Government in power were—it is a question of ensuring that, while we are, very properly, preoccupied with our big battles about the future of the health service, education provision and social care, we do not forget those important services that are needed admittedly only by a minority, although a significant minority, and that require uplifting in political priority and public consciousness.

It is worth trying to co-operate across the parties. It is much easier to walk away into one's hole and avoid any criticism by saying, "Never the twain shall meet; we can't possibly work with people of another party." That judgment probably makes for a quiet life, but it is the wrong judgment to make. I am proud to be a Conservative Member of Parliament. I happen to think that such issues are important, and I believe that this place is, on the whole, pretty tribal. Most politicians are too tribal, as are most commentators, but I think on the whole that the public are not very tribal. They rejoice in instances of politicians across the spectrum coming together and considering how to put aside our party differences and work together to better the public provision, especially when the beneficiaries are a group of children who are often very needy, frightened and vulnerable.

I remind colleagues that children with speech, language and communication impairments are disabled children. That is often not recognised. The hidden disability of an incapacity to communicate can be a source of great problems for the individual, for his or her wider social network and—ultimately, if those problems are not tackled—for the country. It would say something positive about this country's political DNA if we came up during the next nine months with a set of constructive and practical proposals, the implementation of which would alleviate some of the difficulties, improve the quality of provision and raise the life chances of some concerned and frightened children who need our help sooner, rather than later.

10.7 am

**Mr. Tom Clarke** (Coatbridge, Chryston and Bellshill) (Lab): I welcome the debate that the hon. Member for Buckingham (John Bercow) has secured, and I enjoyed his excellent speech. I know that he will be busy later today, as he is sponsoring a reception for the Children's Services Development Group, underlining his point that we owe so much to the many organisations involved in the field. They are right to seize the moment and focus on the issues that he raised, and which hon. Members from all parties have raised in the Chamber and in the various Committees and Departments with which we are associated.

When I saw just before the recess that the hon. Gentleman had secured this important debate, I welcomed it, as I am sure did hon. Members from all parties. During the recess, when I had the opportunity to visit schools in my own constituency, I saw the meaning of many of the things that he said. I welcome the fact that he did not paint a picture of doom and gloom, because there have been many achievements, and we are entitled to acknowledge that. Nevertheless, challenges remain. In my constituency, I have visited excellent schools such Drumpark school in Bargeddie, which deals with special needs children, and Portland school in Coatbridge, which deals with children with behavioural problems. What stood out principally was the dedication of the outstanding people working day in and day out for solutions to many problems and trying to ensure that their children achieve their absolute potential. I realised that this debate would give us the opportunity to offer support and to push things forward a little more urgently, as the voluntary organisations would wish.

I was also encouraged to listen to the hon. Gentleman and to follow his speech, in common with my hon. Friend the Member for Norwich, North (Dr. Gibson), the hon. Member for Mid-Dorset and North Poole (Annette Brooke) and others, because I was delighted to have had the opportunity to chair the all-party review on the needs of disabled children, a review that received outstanding support from the consortium and which campaigned under the slogan "Every Disabled Child Matters". Indeed, the right hon. Member for Normanton (Ed Balls), now the Secretary of State for Children, Schools and Families, was very encouraging and proactive, and we were able to produce a report that was inevitably much more general than the specific issues that the hon. Gentleman is dealing with this morning but which led to a very positive response.

I can tell the Minister for Schools and Learners, who will reply to the debate, of the very considered response to the work of the all-party group. It listened to those organisations that wanted to be heard, and even to some disabled children—for example, young people who were concerned about that period of transition. When considering the response to the all-party report, we saw that the Treasury and the then Department for Education and Skills was allocating an additional £340 million to deal with those issues. My Scottish colleagues will be delighted to know that under the Barnett formula we received £34 million—something that I hope the hon. Gentleman will remember in his review.

The all-party group made steady progress, but it would not have been right then to sit on our laurels and say "That's fine. We've done a good job. End of story." Our constituents would have told us that, as would parents, because our experience of visiting schools and working in education—I know that this debate is largely to do with education—shows that there are problems of poor provision and low attainment.

Speech, language and communication are extremely important. The challenge is to ensure that the policies of Government and Parliament, in their respective roles, have a clear influence to ensure that progress is made.

Like the hon. Gentleman, I welcome the contribution of the organisation I CAN. It has shown through projects such as Make Chatter Matter and initiatives such as the Chatterbox Challenge that, in many ways, the voluntary sector is leading the field. I doubt whether

*[Mr. Tom Clarke]*

anyone would want to dispute the important role of the voluntary sector and the charities in this important matter because, in truth, they are addressing some serious problems, such as those of early identification—something that many local authorities have yet to address.

It is often said, although it is regarded as trite to say so, that to some extent there is a postcode lottery, and I am afraid that the facts indicate that that is so. Some local authorities appear to have other priorities. I do not criticise those priorities, but on the evidence and based on our experience it is absolutely right that we should address those issues this morning. For example, 1.2 million children in the United Kingdom have a communications problem that requires special help. On average, that is three children in every classroom. We are told that children are arriving at school without the skills to achieve their full potential. That is the principal challenge. In some areas, particularly in those with heavy unemployment and housing that is below acceptable standards—in other words, areas of deprivation—80 per cent. of those children are being doubly penalised because we are not addressing, as we want to, the issue of speech and language services.

The hon. Gentleman rightly referred to the question of training, which is hugely important. He also mentioned the Communications Trust survey; and the trust is doing a first-class job. However, another finding of the YouGov survey was that preparation and training for serving children with special needs, who have speech and language difficulties, is that such preparations are often falling apart in some local authority areas. It showed that 61 per cent. of staff over the age of 45 had SLC training, yet only 37 per cent. of staff aged under 35 had it. That is extremely worrying, and obviously unacceptable. It is important, therefore, to underline training—as the hon. Gentleman did. Communications problems can occur in isolation and as a result of other disabilities such as autism or Down's syndrome, or even hearing impairments. We should have a proper collection of data. In other words, we should find out what the problems are so that we can compare and evaluate achievement and try to encourage a rise in standards; but that is not the case, and I think that they were doing a fine job in seeking to achieve the objectives upon which I think we can all agree.

I underline the excellent points made by the hon. Gentleman about early intervention. It is absolutely crucial. We hear of tackling the difficulties of children with behavioural problems, but who knows what lies behind those problems? Who knows what family influences there were as the children left for school in the morning? In some cases, I wonder whether attainment in speech and language is not influenced also by those other problems. If so, we must take it on board.

I welcome the debate. I know that the Minister takes these matters seriously, and I hope that he has the opportunity to respond to all the points raised this morning. I hope that there may be a closer working relationship—the Minister's body language is interesting—between Departments. We want to see them working together, and the Department of Health looms large in that. We want to ensure appropriate local authority responses, and we want to know that the Government will respond effectively to them and others in commissioning speech and language services.

I welcome the opportunity to speak on this important issue. I wish the hon. Gentleman well—particularly on the important review in which he is so heavily involved—and congratulate him on introducing the debate.

10.19 am

**Annette Brooke** (Mid-Dorset and North Poole) (LD): Am I starting the winding-up speeches, Mr. Illsley?

**Mr. Eric Illsley (in the Chair):** Yes.

**Annette Brooke:** Thank you. I was confused by the time.

I congratulate the hon. Member for Buckingham (John Bercow) on securing the debate, on his speech and on his new role in leading a major review for the Government on the provision of services for children and young people with speech, language and communication needs. Since our last debate in Westminster Hall on the issue, which was almost a year ago, not only has a major review been announced, but the communication trust has been set up.

Those announcements were preceded, however, by the various reports that have been mentioned. For example, the Pubic Accounts Committee report concluded that

"more needs to be done to meet specific needs such as speech and language therapy to provide the early intervention that is critical to child development."

The Ofsted report on the foundation stage said that

"standards in communication, language and literacy were lower than expected and children's speaking and listening skills were weak in a third of the settings visited".

If we were writing a report for the Government on progress on the issue during the past year, we would judge that they can and must do better. Although there are examples of excellent practice, progress has been patchy overall and the new initiatives face challenges. I am absolutely committed to the fact that children's communication skills must be at the core of the Government's development of children's policy. However, it is not just a matter of policy; there must be real changes on the ground.

We have talked this morning about early intervention, and I agree that we need to understand exactly what we are talking about and to identify good and not-so-good practice. We know that about 50 per cent. of five-year-olds arrive at school without the speech and language that they need to fully participate and achieve their full potential. That figure rises to 80 per cent in areas of high unemployment and poor housing.

The Ofsted report to which I referred identified a widening gap between boys and girls. We must consider the significance of that gap in respect of future educational attainment. Much is made of attainment at age 11 and of the fact that a quarter of children do not achieve satisfactory standards in literacy and numeracy. How much of that problem stems from a lack of early intervention and a failure to deal with the issue when it needed to be dealt with? We know that poor language and communication skills have a knock-on effect on behaviour. Not surprisingly, when a child becomes socially

isolated and does not have the tools to integrate with his or her peers, behavioural problems develop. We know that many young people who end up in young offenders institutions have poor language and literacy sills. It is vital that we put more emphasis on a holistic approach to the issue.

I would like to emphasise that speech and language needs are complex. We are talking about a whole spectrum of needs, and I worry about the suggestion that one solution fits all. Transient problems can be sorted out with sufficient speech therapy and with back-up in the home. Such transient language difficulties are probably caused by our lifestyle—watching too much television, not sitting down for meals together and a lack of communication in the home. However, there are also very severe and highly specialist needs that may or may not be accompanied by another disability. We must be very clear about what approach we need to deal with this issue.

I shall refer to a case study that I have been dealing with this summer, but I will of course also discuss more general points. A grandmother came to see me whose grandson was aged four and did not speak a word, which was quite alarming. I raised the case separately—I could not get to talk to one person—with the primary care trust and the head of children's services. That process started reasonably well because Tyler was first referred to the speech and language therapy service by his health visitor—my first point of call. The provision of health visitors across the country has become patchy, and although I support the intensive help given by family nurses to vulnerable families, basic health visitor provision is vital because that is how these issues are most likely to be picked up. The Family and Parenting Institute study has clearly shown that there are deficiencies in health visitor provision.

Returning to the case study, that first referral was the good news, and Tyler was seen in June 2006. Unfortunately, staff shortages meant that Tyler was not seen again until 7 December 2006—six months on at a critical time in the child's life. Treatment then improved as speech therapy was given and it was recommended that Tyler receive specialist nursery provision. However, the provision was in another authority and a lone parent could not get the child there. There was no offer of transport or other help. I then wrote to children's services and asked why such specialist provision was not in our authority. The reply said that the

"development of daily 'drills' by the therapist passed on by the pre-school staff are in the view of many professionals preferable to occasional attendance at group sessions."

That proves the point that we need the whole spectrum of provision to match the whole spectrum of needs. Some children will benefit from projects such as I CAN and from intensive provision in a pre-school setting. Other children will benefit from speech therapy that is backed up with support from home. It must be the right mix for the right child, and I do not apologise for talking about an individual case, because the crux of the matter is that we are talking about individual children for whom we must get the best support. I am greatly concerned that a child would have fallen through the net if it was not for their grandmother raising the issue. It is difficult for parents who do not know their way around the system to access what they need.

We have repeatedly said this morning that training is critical for nursery school teachers. I had a parliamentary answer in July saying that only £37 million of the children's transformation fund for training had been spent. Surely we should be spending the money to put the essential training in place. We must use the early years foundation stage, which becomes statutory in 2008, as an opportunity to ensure that staff are trained and that we do not have the rigid curriculum that some of us fear. We must take the opportunity to ensure that we have early identification and intervention, and most of all that we foster language and communication skills for every child.

As good as we as a society—not me personally—may be at information and communication technology, we have a problem with basic communication. We need to know how big the problem is, as the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) said. Considering the range of communication and language difficulties, do our local authorities know the extent of the problem? We have discussed statementing this morning. The Government must not bury their head in the sand and pretend that all is well. As MPs, we know that that is not the case. There is much more to be done to ensure that children can access the support that they need, that the finance is there and that we have qualified professionals who are trained to deliver that support. Joint working between health and education services locally and nationally is vital. For a long time I have been concerned about a situation with Dorset county council. However, we should congratulate it this morning because it has employed a full-time health worker in its children's services whom I have met and spoken to at great length. It is such a pity that I have so many different authorities in my constituency; I can always find problems.

Finally, I want to mention some of the important points Scope made to us about—I shall have to read this bit in full—the availability of appropriate additional augmentative communication aids; now I can say AAC. Scope has been raising those issues for some time, and its conclusions were really interesting, as they are the same as those that we are making on other points. It referred to:

"Better training on AAC for Speech and Language Therapists and teachers…joined-up services across all ages"

and the need to establish who is responsible for the provision of the equipment. That is another dimension that I hope will be covered in the review of the hon. Member for Buckingham.

**John Bercow:** First, the answer to that is yes. That is an important issue; I did not address it because I wanted to focus on other subjects today, but the question of assistive and augmentative technology is important. It will certainly fall within the terms of the review, and we will consider it very seriously. Secondly, the hon. Lady might be interested to see a quite informative article in the education section of *The Guardian* today that focuses, among other topics, on that point.

**Annette Brooke:** I thank the hon. Gentleman.

In conclusion, I want to re-emphasise that we are looking for the right provision for each individual child, whether that is in mainstream education with proper

*[Annette Brooke]*

support or in a specialist unit. Whatever comes out of our debate today, it is about ensuring that our children are able fully to access a curriculum at school and to have a rich lifestyle. They cannot have that if they have those language and speech impairments.

10.31 am

**Tim Loughton** (East Worthing and Shoreham) (Con): First, I declare my interest, as in the Register of Members' Interests, as the chairman of a company involved in educational support services.

I add my congratulations to my hon. Friend the Member for Buckingham (John Bercow), who made a typically well-informed and robust oration, all without notes—another 30 minutes and he would have equalled the achievement of my right hon. Friend the Leader of the Opposition at the party conference last week. It was a particularly impressive, detailed and heart-felt contribution, but then my hon. Friend has form in this area. He mentioned the debate that he instituted in this Chamber almost a year ago, his role as the chairman of the all-party group on speech and language difficulties and, of course, his close personal interest because of his son. That interest is shared by my right hon. Friend the Leader of the Opposition through his personal experience, which is why he has concentrated for much of his time during his years in this place on the subject of special educational needs. The subject is close to many of our hearts, and all hon. Members will have a personal interest or will have been approached by many constituents. It is right that that should be mentioned.

My hon. Friend the Member for Buckingham made a number of points, and I do not need to repeat them, but I was particularly interested by his undertaking that he is interested in seeking out best practice, because the experience is patchy up and down the country. I was encouraged by his reference to the role of parents, because it is the parents who have the 24-hour, day in day out responsibility and care and often do not get the support that they need. He also mentioned the great dedication of some of the people involved in the lobby, but it is a fairly disparate lobby and so it is right that this place should speak up for a minority that desperately needs support.

We hear an awful lot about the numbers of doctors, nurses and teachers, the number of heart operations that take place, improvements in cancer treatment, the number of GCSE passes in schools and so on. We hear very little about the problems connected to speech, language and communications, and virtually nothing about the number of practitioners and therapists available up and down the country—I fear that there are woefully few. Communication is vital to social and educational development and, as the right hon. Member for North-West Durham (Hilary Armstrong) said, the right sort of early intervention is the right investment to make as early and as appropriately as possible, and it is a false economy not to do that. It is also right that early intervention should involve a joined-up approach between schools, pre-schools, Sure Start—that is why I am so pleased about the I CAN pilot projects in Sure Start children's centres—and the health service, too, so that a seamless support operation can be put in place.

We need more specialists and a greater understanding among teachers and other professionals in health and education. Apparently, an estimated 7,000 SLC therapists are on the books in this country. It is estimated that we need at least some 2,300 more and there is a question about the training places available for many of those coming out of university who want to go into that area.

A survey by the Royal College of Speech and Language Therapists recently found that 78 per cent. of managers questioned said that their budgets were being frozen, and 50 per cent. said that they would be obliged to provide an inferior service or to conclude that the service was altogether non-viable. The area has not had the attention or investment given to other areas of education and health.

**Hilary Armstrong:** Does the hon. Gentleman accept that although we will always need more specialists, if we have more effective intervention at an early age, new parents learn how to communicate with their children and do so much more effectively? Does he agree that that is the way to ensure that many of the most disadvantaged children, rather than those with a specific disability, get through their speech and language difficulties?

**Tim Loughton:** The right hon. Lady's point is self-evidently right, and hence my point that it is a false economy not to make that early investment and to work with parents and everybody else.

We will all recall that the Select Committee report published last year made some concerning comments about the SEN system in this country. Many hon. Members have mentioned the statistics about the six in 100 children who will at some stage have a speech, language or communications difficulty. The hon. Member for Mid-Dorset and North Poole (Annette Brooke) mentioned the high number of children who arrive at school without the basic speech and language abilities that they need. My hon. Friend the Member for Buckingham mentioned the 73 per cent. of staff who have not had proper SEN training. The right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) made a good point about the demographics, too. The expertise is with older staff who are coming up to retirement and less with younger staff. There is a potential demographic time bomb that we seriously need to deal with.

I CAN's "Cost to the Nation" report noted that impoverished language is an emerging 21st century problem that results in lower academic outcomes in children with persistent language difficulties. We obviously need to tackle it young. As we know, there has also been a reduction in specialist provision. There are 146 fewer maintained special schools than in 1997. The number of places in state special schools has fallen by more than 5,000 since 1997. Although it is appropriate in some cases for children to be able to go through the mainstream school sector, in many cases that can be viable only if the support is available in those schools, often on a one-to-one basis. I am afraid that that level of support has not been matched in too many cases.

I want to praise the work of I CAN and many of the other organisations involved in this area. I CAN operated a school in my constituency that unfortunately had to close a few years ago but had an excellent reputation. I

CAN commented on the Ofsted report on the foundation stage, which came out in March of this year, and made the point that

"it is clear that more should be done from top to bottom to identify and then support young children with SLC difficulties."

It identified this fact:

"Workforce reform is something that is critical to this process and the government and Local Authorities must do more to up-skill the workforce in this area."

It also said:

"I CAN wants to see more being done to support all staff who work with children, with particular consideration to be given in ensuring that additional speech, language and communication support is made available in areas of high deprivation where the links to impoverished language are clear."

I CAN also commented, as did my hon. Friend the Member for Buckingham, on the relationship with health and the need for greater joined-up working between education and health, and on the joint working and ownership of the work force, because speech and language therapists might be employed by health services, local authorities, schools, charities or social enterprises, or might be working privately. A vicious triangle is operating here. Often, those who bring cases to me requiring speech therapy support have gone already to their education authority, which has said, "Oh, that is not for us. It is health." They then go to their PCT or hospital and are told again, "Oh that is not for us, but for children's or social services". That is a vicious triangle. The problem does not go away if we pass the buck. The longer that that buck is passed, the bigger the problem with that child might become. We need much better joined-up working.

Although I welcome the greater joined-up working in Sure Start children's centres, I fear that because of budget constraints, PCTs have too often been retrenching on some of their joint funding arrangements and that a bigger burden of the bill has therefore fallen into the lap of local authorities, which is putting particular strains on the provision of some services through Sure Start children's centres. There are reports from around the country that some language units are being closed without proper consultation or risk assessments, often for the very reasons that my hon. Friend mentioned. It is very important that we have integrated working across health and education for the benefit of children with speech, language and communication needs. Surely, that is a crucial part of the "Every Child Matters" agenda as well. The fact that only five of the 27 children's centres surveyed by the National Audit Office work closely with their PCTs shows that such joint working has a lot further to go.

I want to make two other brief points. As I said, the Conservative party has taken this matter very seriously. Earlier this year, a commission headed by Sir Robert Balchin reported on the question of special educational needs and made this recommendation:

"Statements should be replaced by Special Needs Profiles (SNP) drawn up by Profile Assessors, who would be educational psychologists and others, possibly operating in consortia.

These Profiles would be cumulative and subject to regular review to ensure that the continued provision is as dynamic as the child's needs. As early intervention is crucially important. Special Needs Profiles should be created as early in a child's life as possible."

My hon. Friend touched on the problem with statements: there is a reluctance to refer people to get a statement, and ignorance about the availability or mechanism for getting one. However, if a person does not get one, they are very unlikely to get the services that go with it. That is a Catch-22 situation, which is absolutely intolerable and serves only to worsen the situation and the concerns and angst of parents having to deal with very complex problems with their children.

**John Bercow:** Does my hon. Friend agree that when we get people writing or coming to our surgeries seeking a statement for their children and it transpires that their need is demonstrable, we as Members of Parliament often end up thinking, "Thank goodness that we have been able to help them, but what about all of those who did not know that they could come to us"? I know that that is emblematic of many other features of public policy across the piece, but I put it to him that there is a gulf between people who are educated, articulate, broadly middle class and not completely empty-pocketed, who on the whole are used to jousting with authority, and who can write letters and fight a battle, and those who are uneducated, inarticulate, hard-pressed, possibly in very difficult family circumstances and who cannot cope. We have an obligation to them.

**Tim Loughton:** My hon. Friend is absolutely right. Those whom he mentioned at the end are most usually in the greatest need of support, but perhaps it is the most articulate and tenacious whom we see and who then take up the cudgels.

What impresses itself on me more than anything in this respect is the battle that such people have with local authorities, or whatever agency. If the money that is wasted on rejecting claims and on the appeals process—the number of appeals has increased enormously—were targeted at providing the services, rather than on trying in too many cases to deny parents what is a right, the system might work rather better. We should be putting every piece of support and help at the disposal of those parents, rather than seeking to put obstacles in their way, as appears to be the case so often.

Finally, may I leave the Minister with a few questions, to add to the great list that I think he has already? His Department has said that it will be making speech, language and communication a key issue, so we would like to know exactly what it intends to do to improve the situation for children with communication difficulties. Will he commit to working more closely with the Department of Health at a senior level to explore what more can be done between agencies and to provide joined-up political leadership? What will the Government do to ensure that all members of the educational work force are trained to identify and support children with a communication disability? What will he do to ensure the appropriate local assessment and provision for children with SLC difficulties? How will the Government support local authorities and PCTs to effectively commission speech and language services?

I know the Government's commitment on that matter. The work that the Minister's colleague, the Secretary of State for Children, Schools and Families, did earlier in the year was excellent, with the support and great energy of the right hon. Member for Coatbridge, Chryston and Bellshill. However, we need action and to see how

*[Tim Loughton]*

this will happen. We need to ensure that suitable resources are targeted in the right place, so that we can have serious results for those whom we all see in our constituencies, whose case was so well articulated by my hon. Friend.

10.46 am

**The Minister for Schools and Learners (Jim Knight):** It is a pleasure to respond to what has been an excellent debate with well-informed and interesting contributions from all right hon. and hon. Members. In particular, I commend the hon. Member for Buckingham (John Bercow) on securing this debate and on being, as always, such an eloquent and persuasive advocate for children and young people experiencing communication difficulties.

I also take the opportunity to congratulate the hon. Gentleman on his appointment to lead the recently announced review of services for children and young people with speech, language and communication needs. That has left me in an interesting position in responding to him, because, clearly, we have acknowledged not only that we want to improve such services further—we would not have commissioned a review otherwise—but his expertise. It was tempting to ask him to write my wind-up speech for me. However, it is important to acknowledge that the fact that he is doing this review does not mean that he does not remain an independent and staunch advocate for the children about whom he has been talking today.

The hon. Gentleman's appointment to head the review is a signal of the need for us to co-operate across parties, as he talked about towards the end of his remarks, and of the need to move away from tribalism when dealing with such vulnerable young people. I shall not fall prey to the temptation to reel off statistics about how, although 166 special schools have closed in the last 10 years, it is not as many as the 234 in the previous 10 years, and all that kind of stuff, which bores everybody.

We have heard well-informed and insightful observations during the debate. I tried to listen carefully and shall respond to as many of them as I can in the time that I have. The hon. Gentleman raised substantial points about training and co-operation. An informed and confident work force are essential if children with special educational needs are to receive the support that they need. I think that it is right that he is concerned and that other right hon. and hon. Members echoed his points.

To help early years practitioners, we have issued Communicating Matters training material and are working in partnership with I CAN—a children's communication charity—to pilot its early talk training programme in 200 children's centres. Similarly, all schools staff need to have the skills and confidence to support appropriately children with special educational needs, including those with speech, language and communication needs. To help raise teacher confidence, we are launching, in one week's time, through our national strategies work, a major programme of professional development for teachers and other staff in the form of the inclusion development programme, which the hon. Gentleman mentioned.

The IDP is funded with £2 million to support the first body of work that is attached to it, and local authorities will also have the school development grant to support the training and development of teachers. I am sure that the hon. Gentleman will consider that issue. However, we have told the IDP to begin by focusing on speech, language and communication needs and on dyslexia, which demonstrates the importance that we attach to children's ability to communicate.

The newly formed Communication Trust will build on the IDP by guiding teaching staff to more specialised training and sources of information and assistance. My Department has committed £900,000 in support of the trust, which is a collaborative venture between the communication charities I CAN, AFASIC and the Council for Disabled Children.

The hon. Gentleman also discussed specialists and supply therapists, but before I move on to that issue, I shall touch on the issue of early intervention, which he raised, as did my right hon. Friends the Members for North-West Durham (Hilary Armstrong) and for Coatbridge, Chryston and Bellshill (Mr. Clarke), and the hon. Member for Mid-Dorset and North Poole (Annette Brooke).

Early identification is the key to supporting special educational needs effectively, ensuring that all the right support measures are in place as soon as possible. From September 2008, all settings offering early years provision will be required to deliver the early years foundation stage, which supports all settings in their planning of activities and experiences that can help all children to make progress in their development and learning. It stresses the importance of practitioners being alert to the early signs of needs that could lead to later difficulties, and it provides a framework to enable early years practitioners to respond quickly and appropriately, involving other agencies as necessary.

Collaboration between services is essential to the provision of good speech and language support. Sure Start children's centres that are aimed at the youngest children have a critical role to play, as our practice guidance for centres acknowledges. We are ensuring that all children's centres promote language acquisition and identify speech and language difficulties as part of their universal provision. All children's centre staff should be trained in language development by a speech and language therapist to help develop a centre-wide strategy and approach, and to ensure consistency among all staff. Through Children's Trust arrangements, local authorities and health services should jointly commission speech and language services to ensure that children's centres offer easy access to those services.

However, we recognise that, as the hon. Gentleman said, not all centres currently provide services of the quality that we would like. That is why the children's centres practice guidance that was issued in November 2006 gave details of the best practice that we want all children's centres to develop. We are also working in partnership with I CAN to pilot its early talk training programme in 200 children's centres.

**John Bercow:** Will the best practice guidance to which the Minister has just referred be mandatory?

**Jim Knight:** As far as I understand, the guidance will not be mandatory, but I shall look at that issue, and if we need to give the hon. Gentleman more information about it, naturally, we will do so.

During the debate, we heard important points about the involvement of, and information for, parents. Local authorities have a clear legal duty to make available to parents information about the SEN provision in their area, including specialist speech and language resource provision or units. Local authorities must make that information available on their websites and provide a written copy on request. The statutory SEN code of practice, by which local authorities must be guided, advises authorities that they must ensure that information is available and accessible for all parents, and that they should work with the local parent partnership service to secure that outcome. The parent partnership services work to minimum standards that are also set out in the code. The standards state that partnerships should ensure that parents are provided with accurate and neutral information on their rights and on the wide range of options that are available for their children's education, including specialist speech and language provision.

In our response to the report by the Select Committee on Education and Skills about SEN last year, we undertook to exemplify the minimum standards in the SEN code. We set clear expectations for parent partnership services in every area to increase parental confidence in their impartiality and the quality of information and advice that they provide. That work is well under way, and it will be issued later this term. That issue is about more than information, however. It is something on which I shall reflect, and I look forward to the comments in the review that the hon. Gentleman is leading, so that I can reflect a little more on the way in which we encourage better involvement, particularly from that broadest range of parents whom he described during his intervention on the hon. Member for East Worthing and Shoreham (Tim Loughton).

I accept that there is a certain amount of anxiety among parents about statementing. Parents have a right under the Education Act 1996 to request that local authorities assess their children's special educational needs with a view to the children being given statements. If the local authority declines the request for an assessment, the parents can appeal to the SEN and disability tribunal, whose decisions are binding on local authorities; and as I have said, in each local authority, the parent partnership service should give practical, unbiased advice about special educational needs, including statementing. Local authorities cannot have blanket policies not to assess certain groups of children. The Secretary of State will investigate any complaints against authorities, and if there is evidence of such policies, he will issue directions to the authorities to remedy the situation.

The SEN regulations also set out statutory time limits for completing statements, which amount to 26 weeks from the initial request for an assessment. Figures collected by the Audit Commission show that in 2005-06, 95 per cent. of draft statements were completed in the statutory 18 weeks, when none of the allowable exemptions, such as health or social services being late with their advice, came into play; and that almost 80 per cent. were completed when they did. We are introducing a new indicator to monitor how many statements are completed within the statutory 26 weeks, and we hope that it will improve matters.

**John Bercow:** I do not sniff at the fact that the speed with which statements are completed is an important subject; I know that the Government have a target for it, and that they are pleased that there has been some progress. However, may I put it to the Minister that it is not necessarily either the only or the best target and that what is incredibly important is that, once the content of the statement is agreed, the lead-in time to its implementation should be as short as possible? Does he agree that delays of several months and more are simply unacceptable?

**Jim Knight:** I certainly agree that such delays are unacceptable. As soon as a statement is finalised, a local authority has a statutory duty to arrange the educational provision set out in the statement, including any speech and language therapy that is specified as necessary educational provision. In practice, there may be some delay—for example, with the local authority having to arrange speech and language provision with the health service; but in cases in which there is an unnecessary and lengthy delay in putting the educational support in place, parents can complain to the Secretary of State on the ground that the local authority is failing to carry out a statutory duty. Naturally, we would consider such situations seriously, because some delays that we hear about anecdotally are unacceptable.

I shall return to the issue of the supply of speech and language therapists. It is important that we bring services together through such measures as extended schools and children's centres, which I have discussed. The number of qualified speech and language therapists has increased by more than one third since 1997, but we must do more. We must ensure that we match up affordable demand and supply in the NHS work force, and we must focus on strengthening front-line capacity through increases in productivity and the skill mix. I am sure that we will hear more about that from the hon. Gentleman in due course.

The hon. Gentleman also referred to concerns about unit closures. He has raised those concerns in the House, most recently at oral questions on 26 July. Since May 2006, local authorities have had to apply a statutory SEN improvement test when they plan to close a dedicated language unit or to remove resource provision. To obtain a clearer picture about the situation regarding language units, our national strategies SEN advisers have been asked to identify the number of existing units in each local authority and any plans to change the number in 2008. The review that the hon. Gentleman is leading will—I am sure—consider the merits of going further on data collection, with due regard to the need to minimise burdens on schools and local authorities. I look forward to seeing what his review suggests.

Supporting children and young people with speech, language and communication needs and their families is a key priority for the Government, but no political party can or should claim any monopoly of concern about this subject. Much is already being done to help improve services and provision, but more must be done to ensure that everyone gets the type of support that they need, when and where they need it. We are committed to improvements in the system and better collaboration between health and education.

The review that the hon. Gentleman is leading will—I am sure—cast new light on those elements that are working well and on those elements that need improvement and change. We await with interest its outcome.

## Health Inequalities

**Mr. Eric Illsley (in the Chair):** A large number of hon. Members wish to speak in this debate and, in order to accommodate all of them, brevity will be required on everyone's part. It is my intention to begin the winding-up speeches at 12 o'clock.

11 am

**Mr. Neil Turner** (Wigan) (Lab): It is a great pleasure to be under your eagle eye today, Mr. Illsley, while we discuss this important issue.

It is well recognised that inequalities exist in all advanced countries, but it is equally sure that where the extremes are closer, the societies are better. The issue is not just a moral one but one of self-interest for everybody in the country. The Labour party exists to lessen such inequalities. That was why it was formed, and it is why many Labour Members joined it.

Inequalities in health are stark. The life expectancy gap between those in the poorest and richest parts of the country is often 10 years or even more. Morbidity—the way that people feel about their health—follows the same path. Labour recognised that in our 2001 manifesto, in which we stated:

"There has been a growing health gap between rich and poor. Beyond other commitments to combat child poverty and poor housing, we will tackle the long-standing causes of ill-health and health inequality".

In our 2005 manifesto, we stated:

"By 2010...we plan to reduce the health inequalities that exist between rich and poor."

That aim was exemplified in the policy document that went to all Labour candidates for that election, in which we stated:

"It is simply unacceptable to us that the opportunity for a long and healthy life today is still linked to social circumstances, childhood poverty, where you live, how much your parents earned, how much you earn yourself, your race and your gender...Though health inequalities remain, we are determined to use a third term in office to reduce them further."

That is clearly recognised. Indeed, in his first speech on taking office, the new Secretary of State concentrated on health inequalities. There is no difference between ourselves and the Government on what we want to achieve.

I shall not take any lectures or strictures from the Conservative party on the issue. In all the time that it was in office, it refused to allow it to be discussed. The recent Joseph Rowntree Foundation report indicated clearly that, in the years between the 1980s and 2000, health and social inequalities widened dramatically. Rather than any strictures, an apology would be in order.

To tackle health inequalities, we must first identify them. Two headline figure indicators have been identified: infant mortality and life expectancy. In November 2004, spearhead authorities were identified to tackle health inequalities. They were classified as those in the worst 20 per cent. of authorities in England in three of the following five areas: cardiovascular mortality; cancer mortality; life expectancy at birth for both males and females, and the index of multiple deprivation. Wigan is in the worst 20 per cent. in all five categories.

Health inequalities are recognised as an issue and identified as a geographical problem. So what about the means and resources of tackling them? The Government have a formula whereby they distribute 75 per cent. of their health budget to primary care trusts. That formula measures health needs by taking account of age, sex, mortality, morbidity, the cost of living and economic deprivation, and it produces a target for each PCT. I should emphasise that it is a Department of Health formula—it is the Department's assessment of the health needs of each area. However, the actual funding does not follow the targets set by that formula. It is guided by them, but does not follow them. The guidance is not particularly well followed, as I shall show shortly.

Prior to the 2005-08 comprehensive spending review round, a group of Members pushed the then Secretary of State, the right hon. Member for Airdrie and Shotts (John Reid), to speed up the pace of change and the rate at which PCTs get closer to their targets. I wish to pay tribute to him, because we were reasonably successful, particularly in the areas that were seriously below their target funding allocations. For instance, in 2005 Easington PCT was £25.5 million below its target funding. It is now £6.5 million below—a shift from 16.2 per cent. to 3.5 per cent. below. That was replicated in many other areas that were seriously below target in 2005, and we should pay tribute to the then Secretary of State for making those massive improvements, which laid a firm foundation upon which we can build for our next comprehensive spending review round. This debate is essentially about making further progress on that.

Despite the efforts of the then Secretary of State in the 2005-08 round, primary care trusts still do not receive the share of funding that the Department says they need to tackle the health needs of their populations. The differences are stark, and many of them are inexplicable, especially when set against the Government's stated aim of reducing health inequalities. Ashton Leigh and Wigan PCT is £11 million—2.4 per cent.—below its funding target. Westminster PCT is £41 million, or 11.6 per cent., over its target. Newham is £15 million, or 3.2 per cent., below; Richmond is £28 million, or 13 per cent., above. Bradford is £20 million, or 3.5 per cent., below; Brent is £20 million, or 4.8 per cent., above. Liverpool is £25 million, or 3.2 per cent., below; Lambeth is £56 million, or 12.6 per cent., over its target. Incidentally, that last example shows a totally inexplicable increase, because in three years Lambeth has moved from being £25 million over target—6.4 per cent.—to being £56 million, or 12.6 per cent., over. Rather than moving in the right direction, some PCTs are moving in totally the wrong direction.

I emphasise that the issue is not one of north versus south. It is about deprived areas throughout the country, and deprived boroughs in London are as underfunded as many of the areas in the north and the midlands. Newham is £15 million below its target, Barking and Dagenham £10 million below, Tower Hamlets £14 million below and Hackney £15 million below. The matter is not north versus south, it is about health inequalities, deprivation, health need and funding PCTs to address their health needs and reduce inequalities.

**Andrew George** (St. Ives) (LD): I represent the poorest region of the UK, Cornwall and the Isles of Scilly, which is below its target for the funding available to the PCT. Does the hon. Gentleman agree that it is inappropriate that, in such circumstances, PCTs with appointed, not elected, members, were forced by the

Department of Health to spend 15 per cent. of their limited resources within the acute sector in private hospitals, rather than support struggling NHS hospitals? Does the hon. Gentleman agree that such decisions should be made locally, not enforced on PCTs by the Department of Health?

**Mr. Turner:** I do agree, and that is an issue that we have addressed previously. Indeed, the Department has made changes to the second and third round of independent sector treatment centre procurement, and those changes will address the problem. While I understand the hon. Gentleman's point, it is not fundamental to the issue that we are discussing, which is about overall health funding rather than how the funding is spent in particular areas. However, I take his point.

**Rob Marris** (Wolverhampton, South-West) (Lab): I shall give an example with which my hon. Friend may not be familiar, from my own area of Wolverhampton. Infant mortality improvement has completely stalled in recent years, and male life expectancy is rising at a much slower rate than national male life expectancy. That may well be related to Wolverhampton City PCT's having been under formula for many years.

**Mr. Turner:** My hon. Friend is absolutely right and raises an important issue. We have not merely been underfunded for the past three years; the underfunding is historical and goes right back to 1948, when the NHS was formed. The number of GPs that our PCTs are able to employ and the number of interventions that we can make in our areas are seriously lower than in the areas that I have identified as being over target. That is not only because of the funding of the past three years, but because of the nature of the funding, historically. All that impacts on health inequalities. Whatever happens in this comprehensive spending round and whatever Ministers are able to do about the problem, the impact will not be immediate or dramatic—it will be a long haul. We must recognise that it will take a long time to reduce the health inequalities in our country, and we must make a start now.

In August 2007, guidance was given to spearhead PCTs on reducing standard mortality ratios in a range of areas. In Wigan, although cancer mortality rates are down, they are not down as much as for the country as a whole, so the gap is widening. Life expectancy in Wigan is improving, but only at the national rate—the gap is staying the same. With cardiovascular diseases such as heart attack and stroke, our standardised mortality ratios are consistently 40 per cent. higher than those for the UK, nationally. Those PCTs that have been identified as spearhead trusts have been given no extra funding to tackle those issues. Where specific funding has been given—for smoking cessation services, for example—and practice nurses have been used in GP surgeries to screen for cancers, there have been dramatic improvements. The lesson that we can learn from that is that additional resources bring improved results.

In 1997, in a reversal of the disgraceful attitude of the previous Tory Government, Labour commissioned Sir Donald Acheson, the then chief medical officer, to review health inequalities. His report made 39 recommendations, only three of which were directly related to the NHS. Inequalities in health indicate that there is wider deprivation and have an impact on that deprivation. This is an important point. We are not just talking about inequalities of health as a result of deprivation: inequalities of health and in the way in which people are unable to contribute to the local economy help to create deprivation in those areas.

Other agencies, particularly our local authorities, will have to tackle areas of multiple deprivation. That point was recognised in the 2002 Wanless report, in which Wanless drew particular attention to personal social services. Many local authorities and PCTs, including my own in Wigan, now have joint commissioning and pool the funding for those services. But there we hit yet another difficulty—many of the local authorities covering the areas in which PCTs have below-target funding are themselves inadequately funded. Just as the Department of Health has a formula to calculate health needs and allocate funding accordingly, so does the Department for Communities and Local Government. Just as that formula is not followed by the DOH, it is not followed by the DCLG. Almost inevitably, the local authorities that are underfunded in health are also underfunded in local government. Wigan is £10 million underfunded in local government, while Westminster is £18 million overfunded. Bradford is £12.5 million under, while Brent is £21.5 million over; Newham is £15 million under and Barking and Dagenham is £14 million under, while Richmond is £13.5 million over and Wandsworth is £49 million over.

**Mr. Chris Mullin** (Sunderland, South) (Lab): Will my hon. Friend allow me to add the figures for Sunderland to that list? My local authority, which also represents one of the more deprived catchment areas, estimates that it was down just under £7 million in 2006-07 and £6.4 million in the current financial year.

**Mr. Turner:** I think that all Labour Members present could give figures for our areas and show that we are underfunded not only with our health allocation, but in local government. That is important because of the way in which they interact and affect each other. If we are to tackle health inequalities, we must also tackle other areas of deprivation

I appreciate that it is not in the purview of the DOH to review local government funding, but, as Sir Donald Acheson made clear and as Wanless has re-emphasised, we will not reduce health inequalities through the NHS alone. The two Departments must tackle the problem jointly. To continue the double whammy of underfunding PCTs and local authorities serving the same local population will mean that those populations will continue to suffer health and social inequalities.

The debate is timely because this afternoon the Chancellor of the Exchequer will announce the comprehensive spending review for 2008-11, which will allocate health and local government resources nationally. In his 1998 report, Sir Donald Acheson said that only three of his 39 recommendations related directly to the NHS. The most important of those three was the need for a

"more equitable allocation of resources"

within the NHS.

**Mr. David Drew** (Stroud) (Lab/Co-op): I totally support my hon. Friend's comments, but does he accept that there is also a problem within areas? A problem with semi-rural constituencies is that people living in the more rural areas who do not have income to support them are often very disadvantaged in health terms. It is important that we drill down—I suppose that is the in term—to look below the macro picture at what is happening on the ground. Does he agree?

**Mr. Turner:** I do agree. In my borough, the best ward is at around the national average, whereas six or seven wards are in the bottom 3 per cent. of deprivation in the country. Within each of our areas will be areas that are relatively well off and healthy, and areas that are significantly unhealthy and significantly worse off.

The debate is vital for all our constituents who die before their time or who suffer debilitating illnesses and grow old before their time. The size of the national health cake has been decided, and we will hear an announcement on that this afternoon. A more equitable distribution of that cake will allow PCTs such as Wigan to contribute to achieving the Government's aim of making serious inroads into the health inequalities in this country.

11.17 am

**Dr. Ian Gibson** (Norwich, North) (Lab): I shall be brief, to allow others to speak. I congratulate my hon. Friend the Member for Wigan (Mr. Turner) on securing this timely debate. I also congratulate the Secretary of State; it gladdened my heart that he gave a speech to the Socialist Health Association at Toynbee hall. Inequality was mentioned all through that speech, which should be bedtime reading for every chair of every PCT and every chief executive officer who thinks that they know something about health.

I want to speak briefly about my role as chair of the powerful all-party group on cancer. We have very much played our part in developing a programme with the Government. The first cancer reform strategy, cancer plan one, has come out and we are now looking at a cancer plan two—although we call it our cancer reform strategy—with patient groups and others. I hope that money will be put into that strategy. It is partly about addressing inequalities related to gender, race and sexuality, but other issues also need to be addressed. I am told that many homeless people do not get health service support, such as the identification and diagnosis of early-stage diseases such as cancer in their environment. The St. Mungo's Trust in London, which looks after the homeless, has really accentuated that point.

People who have rarer and less-talked about cancers do not get the same kind of support as those who have breast cancer and prostate cancer. Incidentally, there is not as much support for prostate cancer, as for breast cancer, but identification levels are on their way up. People with ovarian, pancreatic, liver and brain cancers do not get the same support, which is necessary to repair their lives and cure those cancers.

The lack of information does not help and inequality exists, particularly in black and minority ethnic communities. My PCT in Norfolk—I am glad to see my hon. Friend the Member for Great Yarmouth (Mr. Wright) here—has suddenly decided that it is worth putting out some documents in different languages. It has suddenly decided that Portuguese migrant workers, Lithuanian policemen and others deserve to have something written in their languages. It has taken it 10 years to see that, but it has a long way to go. I hope that the PCT is embarrassed, and that that fact is reported if anybody is listening. The problem is growing. Minority groups exist and do not get the whack of support from the health services that they need.

There was a report in *The Lancet Oncology* this summer about inequalities on another level—between us in the UK and other European countries. The report dealt particularly with two children's cancers: a rare brain cancer called neuroblastoma and Wilms tumour, which is a kidney tumour. On looking at the survival rates, we see that we are lagging behind. There are many arguments about early identification and so on, but the situation has gone on a long time and we should be worried about it. Our first cancer plan is at an early stage of development and perhaps the data will improve as time goes by, but we should not sit back and expect that to happen. We have much more to do.

The answer is not always just to shovel money into the system willy-nilly; it is about directing money to the right places. I was on the Science and Technology Committee when the first cancer plan was set up. We investigated where the extra £640 million had gone, but it was difficult to find out from the PCTs at that time—a few years ago—what they had done with the money. Was it ring-fenced for cancer or did it go elsewhere? Was it used for car parks, and so on? We did not get to the bottom of that, but our questions precipitated a further investigation by the Department of Health. Funding for cancer research, treatments and cures was meant to be spread across the country, but it was unequal.

Cancer has been the doyenne of the health service, given what we have achieved in the past 10 years. It is a paradigm for many other illnesses such as diabetes, mental ill health and so on. Patient support groups have worked together and with the Government to improve services. Stimulating charities to join together is important.

I mentioned children earlier, but we must also think about the carers in the process. In some places in this country, carers are respected and given support. For example, if a child has to get treatment at the local hospital or clinic, a parent must go with them. If the parent works, they have to get time off work and lose pay. Things are not fair in this country—some people are not allowed time off. A managing director or football club manager, for example, presumably can take time off—unless they are managing Norwich City, when they need as much time as possible to achieve anything. However, I am sure that Members will take my point that it is easier for some people to get time off work. We must consider whether funding has been fairly adjusted in this country. Many young people are not getting that kind of support from their carers.

More men die of cancer than do women, particularly older men. I have mentioned ethnic minorities, particularly the women in them. The all-party group on cancer runs the Britain Against Cancer conference. Last year's conference was attended by more than 300 people, with a waiting list just as long. Patient groups and other information groups speak about the issues and inspire us to do things. Some young women spoke about outreach

projects that they were involved with in parts of London and elsewhere in the country, through which small groups of people address the big cultural differences in understanding the treatments that can be applied in various situations. Their problem—a real problem that I hope the Government will address—is that they set up a project that achieves greatness in year one and more greatness in year two, but then the money falls. When voluntary groups do such things, we must ensure that they are able to continue in office and to support the people out there.

I finish on this note. One of the Ministers and I will be attending a dinner tonight, and I point out that there are people lurking in the background who want to privatise the health service. Such people are pushing the idea that they can deliver better cancer services than the NHS. We should beware of the fact that they will be waiting in the wings with their American supporters if the Government do not precipitate action through the new reform strategy.

11.24 am

**Dr. Brian Iddon** (Bolton, South-East) (Lab): Ever since my election to this House in 1997, health inequalities has been one of my major campaigns. I therefore congratulate my hon. Friend the Member for Wigan (Mr. Turner) on securing this important debate.

Regrettably, Bolton is included in a list of the 15 per cent. most deprived boroughs in the country, with 37 per cent. of its population living in the 20 per cent. most deprived wards. Of the three Bolton parliamentary constituencies, mine demonstrates the most deprivation, followed by Bolton, North-East, then Bolton, West. The Royal Bolton hospital, which has the second busiest accident and emergency department in Greater Manchester, is situated in the heart of my constituency.

Several diverse ethnic minority communities, mainly from south-east Asia, live in Bolton, particularly in my constituency. They present special challenges to the national health service, such as different diseases, cultures and styles of living. For example, 23 different languages are spoken in one of my primary schools. Such a situation is a challenge to the NHS.

Bolton is a low-wage economy. The median pay is only £317.60 per week, compared with the England average of £369.40 and the north-west average, which stands at £344.20. Worklessness, as represented by those receiving jobseeker's allowance, incapacity benefit or severe disablement allowance, is high at 12.9 per cent. The figure reaches 49 per cent. in the most deprived wards in Bolton.

In the past, the principal industries in the town were mining and cotton textiles, supported by heavy engineering. They have caused considerable incapacity and disablement, particularly in our older population. That is a feature of all the old industrial towns. In some Bolton wards, life expectancy today is under 67, with a 15-year gap between the rich and poor areas of the town.

In 1997, the Wigan and Bolton health authority was considerably underfunded; I believe that the figure was about £14 million at that time. I compliment the Government on introducing the pace of change policy, which has brought more money to constituencies such as mine. Unfortunately, as my hon. Friend pointed out, the pace of that policy has been rather slow, and in some cases we have actually gone backwards, as I shall demonstrate.

There are just not enough doctors or dentists in Bolton. That is particularly true of the most deprived areas of the town. Bolton's primary care trust, which is coterminous with the borough boundary, is currently just over 2 per cent. away from target in the three-year allocation leading up to 2007-08. That equates to a shortfall of £8 million. Compare that with affluent Richmond and Twickenham PCT, which receives 12 per cent., or £27 million, above target. As my hon. Friend said, such discrepancies simply cannot be right.

In November 2004, the Government defined spearhead local authorities as those rated in the worst 20 per cent. in the country in three out of five categories, which my hon. Friend defined. Bolton qualifies in four of those categories. The average spearhead PCT was 1.1 per cent. or, on average, £2.6 million under target in 2006-07—Bolton is at 2 per cent.—while the non-spearhead PCTs received, on average, 0.5 per cent. or £1 million over target. The differential is reducing. Bolton PCT's figure has reduced, but only from 2.0975 per cent. to 2.035 per cent. Not surprisingly, especially in view of Bolton's health legacy, which I described, I would support accelerating a reduction in the health inequalities that have existed not only in my constituency but in others for far too long.

A recent analysis of cancer mortality rates in the north-west for spearhead versus non-spearhead PCTs has shown an actual worsening of the position by 4.4 per cent. for men and 19.7 per cent. for women. Instead of the 6 per cent. absolute reduction required by the Government's public sector agreement targets to reduce health inequalities between the fifth most deprived areas and the rest by 2010, the gap has increased in the north-west. Stomach, cervical, lung, and bladder cancers are of greatest concern, especially among women.

I assure the Minister that Bolton is doing everything possible within its financial capabilities to reduce the health inequalities in our town, even by using non-health pots of money such as neighbourhood renewal funding to pump-prime interventions, but we need more help than we are currently getting. That is what this debate is about.

11.30 am

**Kelvin Hopkins** (Luton, North) (Lab): We are discussing health, and I am afraid that my health is not particularly good today, so I shall not speak for long because my voice might not last. I want to speak because this debate is important, and I congratulate my hon. Friend the Member for Wigan (Mr. Turner) on securing it, and on speaking so strongly on this important subject.

I speak for Luton, which is seriously and consistently underfunded, and has been for many years. It is the most underfunded health area in the relatively prosperous eastern region, yet we have the greatest health inequalities, enormous levels of heart disease and diabetes, and serious mental health problems, which are not being addressed as they should be because we are underfunded.

I was recently called to a meeting by Amicus, which is now part of Unite, because its members include health visitors and there are not enough health visitors. Luton

*[Kelvin Hopkins]*

has a large young population with many children and a high birth rate, so we need health visitors and we do not have enough.

I have recently been informed that Luton has the longest waiting times for musculoskeletal treatments. Again, that is simply because of underfunding. Some non-statutory funding areas have been cut—for example, foyers for people with mental health problems—and there are funding squeezes all around. There was a health funding freeze two years ago, when Luton should have been treated rather better than some other areas, but it was treated worse and had the worst health funding cuts of any primary care trust in the region. Others in the more prosperous leafy shires and relatively middle class areas were allowed to increase their spending when we were forced to cut ours. That was gross inequity by any standard.

More recently, in the past year or so, we have had a savage cut in our walk-in centre. Walk-in centres were recently trumpeted by the Prime Minister, and the then Secretary of State for Health opened our walk-in centre with a great fanfare, but its hours were later cut to a quarter of what they had been. It was a wonderful facility that took pressure off GPs and the local accident and emergency department, and enabled people who might not have gone to their doctor to drop in. Some people with health problems, particularly middle-aged men, do not go to their doctor when they should, and walk-in centres pick up on conditions.

I do not blame the health professionals, who do their best in difficult circumstances, and I commend my local patient and public involvement forum, which has done a tremendous job in lobbying on behalf of local patients. Some months ago it called a special meeting to discuss the walk-in centre and other matters with representatives of the primary care trust and the strategic health authority. The PCT officers, to their credit, turned up at that meeting. They had a hard time, but they turned up. The SHA officer did not turn up and there was a vacant seat. I understand that a few days later, the SHA called the PCT officers to an early-morning meeting elsewhere in the region and told them to get the PPI in line. The SHA's behaviour was outrageous. Not only did it impose unfair spending cuts; it lambasted its own officers in the PCT for not keeping local patient representatives in line.

Luton has serious problems, which must be addressed. I have written many times and at length to successive Secretaries of State for Health about our funding problems. I want Luton to be treated fairly in future, and I urge my right hon. Friend the Minister to look carefully at Luton's funding and at other areas that are similarly poorly treated, to ensure that we have fair funding levels in future.

11.34 am

**Jeff Ennis** (Barnsley, East and Mexborough) (Lab): Thank you, Mr. Illsley, for giving me the opportunity to participate in this important Adjournment debate. There is no doubt that social care funding has had great difficulty in keeping pace with demand. The pressure on social care services from rising demand is well rehearsed and reflects the experience of Doncaster and Barnsley, which are my home authorities. People are living longer with improvements in health care from birth to old age, so more people have complex dependency needs. They have greater expectations for more and higher quality services. The situation has been compounded by recent developments in the NHS—for example, long-stay hospital closures. Treating more people more quickly with earlier discharge requires more intensive care in the community and places an extra burden on social care services.

Within social services, better assessment and early intervention, rather than reducing long-term costs, is creating pressure to offer more in the way of early, targeted support. More investment is needed for the shift from spending on intensive care services to prevention and individualised support.

The Government face a difficult scenario, but it is compounded by the inequalities in the health funding system, as all hon. Members who have spoken have said. This debate is not just about health funding inequalities; more importantly, it is about health inequalities in general.

You will be familiar with the health profile of my constituency, Mr. Illsley, where more than one in three households has at least one disabled person. It has the highest number of individual claims—more than 12,500—for chronic bronchitis and emphysema from former miners. Former miners in my constituency have received more than £100 million from the Labour Government. They would not have received that if we had had a Conservative Government, and those claims are a legacy of the mining industry.

The latest figures that I have for mortality rates for cancer are for 2005-06 and are based on 100,000 people of all ages. The average rate in England is 177; in Barnsley it is 204.35 and in Doncaster it is 207.68. Turning to the mortality rate for chronic heart disease, the average rate in England is 101.8; in Doncaster it is 115.8 and in Barnsley it is 145.02. That is 40 per cent. higher than the national average, and provides a snapshot of the sort of picture that we face in Barnsley and Doncaster. Yet overall Government funding bears little relationship to assessed needs, with current grant differing from some 130 per cent. over target to some 23 per cent. below target. Doncaster is 6.8 per cent. below target and Barnsley is 9.3 per cent. below target. Around 95 local authorities nationally are below target funding by some £686 million. Of those, 37 are part of the special interest group of municipal authorities outside London—SIGOMA—and are losing £239 million this year. Both Barnsley and Doncaster are members of SIGOMA.

I have a confession to make. I was one of the three founding fathers of SIGOMA when I was leader of Barnsley council. The other two gentlemen in the frame were Councillor Peter Smith from Wigan and Councillor George Gill from Gateshead. That was one of my greatest achievements as leader of the council. [Hon. Members: "One of many."] Yes, one of the many achievements. It is important that the Government revisit the issue, so that resources can be more effectively targeted at areas of greatest need.

The efficiency of local authorities has been widely acknowledged in recent weeks, and the Local Government Association lobbying of Ministers to switch 0.5 per cent. of the NHS's expected budget of £100 billion—that

is £500 million—to social care should be widely welcomed and supported, because there is evidence that such a switch would deliver better value for money.

In conclusion, the issue is one of fairness and equity, and I would like the Minister to answer this specific question when she responds. How can it be right that Barnsley, where the death rate from chronic heart disease is 45 per cent. higher than the average, is underfunded to the tune of 9.5 per cent. below target? The Barnsleys and Doncasters of this world do not want more than other areas. We would be more than happy with our fair share.

11.39 am

**Lyn Brown** (West Ham) (Lab): I thank my hon. Friend the Member for Wigan (Mr. Turner) not only for securing the debate, but for the careful way in which he put forward his arguments and also for mentioning Newham many times. I thank him too for characterising the debate not as one between north and south, but as one about health inequalities. I am really grateful to him for framing the debate in that way.

This debate is very important for my constituency, which is the eleventh poorest part of England and Wales. In the distance of the short journey on the Jubilee line from here in Westminster to my home in Newham, life expectancy for children decreases by six years. Put simply, my local authority does not have the money that it needs to deal with health inequalities. In the year 2007, the locality where people live should not determine lifespan, but the reality is that it does.

I acknowledge, as have other hon. Members, the findings of the Black and Acheson reports that health inequality has its determinants in poverty, low income, poor housing, lack of education, lack of security and high levels of stress. It is therefore clear that any redress in health inequality needs to engage more players than the NHS alone. My hon. Friend the Member for Wigan mentioned that we need a partnership with the Department for Communities and Local Government in dealing with these issues, and he is absolutely right.

There is no need to be an expert in Maslow's hierarchy of needs to understand that living on a low income in a high-cost capital has an impact on healthy choices—food, leisure and education choices—and therefore on the stress levels of families struggling to make ends meet while living cheek by jowl with the enormous wealth of the City. It does not take a genius to understand that it is very difficult for families in temporary accommodation, living in the private sector in homes that they can barely afford, and moving every few months or years while they wait the 13 years that it takes to get a house in the public sector, to have a lifestyle that maintains good health.

Newham has a housing waiting list of 30,000 families—families that are moved from place to place while they wait, often unable to put down roots in an area, and are therefore unable to find their way on to doctors' waiting lists. If they are successful in registering on the very full lists, they are often then subject to another move and another search for the most basic of health requirements—access to a doctor. Is it any surprise, therefore, that such families access their health care erratically, through the accident and emergency services of the local hospital, too late for there to be an impact on their health? That results in a shorter lifespan and means that such people live longer in ill health than those in better circumstances.

The continued inequalities experienced by my constituents are exemplified by the infant mortality rate, which in Newham fell by 4 per cent. between 1998-2000 and 2003-05, although it fell by more than 10 per cent. in London as a whole. Obviously, all improvements in health are welcome, but the worrying growth in inequality simply cannot be ignored. There are clear inequalities in outcomes, but also great disparities in inputs, such as funding per person. North-east London contains several deprived boroughs with some of the lowest life expectancies in England. In 2004-05, the average expenditure per weighted head of the population was £1,090, compared with the north-west London figure of £1,311. Indeed, according to the Government's own weighted capitation calculations, and as my hon. Friend kindly stated, Newham Primary Care Trust currently receives £15 million less than it should each year. Such underfunding in an area such as mine is frankly immoral.

Last year, I was forced to have a meeting with the then Secretary of State for Health to express my deep concern at the requirement made by NHS London that Newham PCT contribute 3 per cent. of its 2006-07 budget to a financial risk pool for London. The risk pool was required to ensure that the NHS in London as a whole was in financial balance. Although I understand that requirement from the wider perspective of getting the NHS on budget, it is hard to stomach given the local circumstances. Newham PCT has a consistent record of hitting its financial targets. The deficit in London had been run up by other PCTs, many of which have been, and continue to be, overfunded according to weighted capitation targets. My hon. Friend referred to that too. Along with other demands, such as that for a 15 per cent. saving on management and administration costs by 2008 as a consequence of commissioning a patient-led NHS, the requirements mean that the PCT is facing significant financial pressures while attempting to make real progress towards narrowing health inequalities.

I am confident that this Labour Government are facing up to the enormous challenge of inequalities in health care—something that the previous Government failed to do. However, while there is much to praise, good intentions will be carried through only if constituencies such as West Ham and the other constituencies mentioned here this morning receive better and more appropriate funding and health care—health care designed around the needs and realities of living in a borough such as my own.

11.45 am

**Ian Stewart** (Eccles) (Lab): It is incumbent on each of us to thank my hon. and good Friend the Member for Wigan (Mr. Turner) for securing such an important debate. Each of my Labour colleagues who has spoken previously has covered the general issues adequately, so I shall keep my comments specific to my own city of Salford and to the north-west.

For Salford, health inequalities are not just about quality of life, important though that is; they are about the actual lengths of people's lives. They are important to the SIGOMA organisation, which was mentioned earlier, because Salford is an active member of that group. As to the more general comments made by my hon. Friends, let me just say that if we are to deliver the joined-up services for which we strive, and improve the health of our citizens and successfully tackle social

*[Ian Stewart]*

problems in our neighbourhoods, the Government need to move swiftly towards full implementation of their own funding targets.

In Salford, the evidence is stark. Despite huge improvements in the general health, housing, employment, income and education of Salford residents, the relative inequalities in health in parts of the city remain as great as they were 100 years ago, if not greater. In parts of Salford, male life expectancy based on 2003-05 figures is 73.8 years, compared with 76.9 years for England as a whole. The equivalent figures for women are 78.4 years in Salford, compared with 81.1 years elsewhere. That means that male life expectancy in Salford is the sixth lowest in England, and female life expectancy is the fifth lowest. Life expectancy in Salford has improved in recent years, year on year, but the gap for male life expectancy between Salford and England as a whole—3.1 years—is the same now as it was eight years ago. For women, it has widened from 2.3 years to 2.7 years.

The death rate from smoking in Salford is higher than the north-west and England averages and is the fifth highest in England. Smoking accounts for 505 deaths in Salford every year—deaths that are avoidable. The early death rate from heart disease and strokes is higher than the north-west and England averages and is the fifth highest in England.

The number of people claiming sickness benefit in Salford because of mental health problems is higher than the north-west and England averages and is the sixth highest in England. The rate of hospital admissions for alcohol-specific conditions is also above the north-west and England averages and is the tenth highest in England. Reducing health inequalities and improving well-being therefore remains one of the key challenges across agencies in Salford and requires an active and co-ordinated approach.

After taking weighting factors into account, Salford PCT's GPs have more patients to care for than the national average. The PCT estimates that we would need an additional 17 full-time GPs over and above the current 132 GP full-time equivalents to bring the average weighted GP list size down to the national average. Extra doctors would result in greater specialisation, and most practices could, for example, have GPs specialising in areas such as diabetes and heart disease. That, in turn, could lead to reduced mortality rates.

On the plus side, I should say that the number of road injuries and road deaths in Salford is relatively low and that significantly more older people are helped to live at home than the national average.

If you have not visited Salford, Mr. Illsley, you might be surprised to hear, given what I have said, that a recent Royal Bank of Scotland survey, which developed an index of lifestyle indicators and how much they cost, found that Salford is one of the best places in Britain to live—in fact, it is No. 5. Given that Salford has such good facilities, I want residents to be around and in good health for as long as possible to enjoy them and I want them to have better-than-average life expectancies.

The problem before us is complex, and we need action on a number of fronts. For example, economic and regeneration policies have a role to play, as my colleagues have said. I applaud the north-west food and health action plan, which was published at the beginning of the year. It looks at how regional agriculture and food industries can help local people to make food choices for healthier lifestyles. I was also pleased to see a recent report from NHS North West and others, which championed the role that local parks can play in improving our physical fitness and general well-being. It does not help, however, that we will lose our excellent maternity services, and we will continue campaigning to retain those services so that mothers can continue having their babies safely in Salford.

Today's debate is more focused on health funding, however, and it is clearly about not only quality of life, but length of life. I therefore urge the Government to deliver health funding based on need, and the same goes for local authority social services. Our public and voluntary authorities will continue to work together to deliver the best for local people. If we in Salford are given additional resources, we will use them wisely and effectively. We now need to ensure that the tremendous social, environmental and economic progress that has been made in Salford is matched by progress in the health of Salford people.

11.53 am

**Mr. Edward O'Hara** (Knowsley, South) (Lab): I, too, congratulate my hon. Friend the Member for Wigan (Mr. Turner) on securing this important debate and enabling me to draw attention to health inequalities and health needs in Knowsley, which I represent.

Of the 26 indicators in Knowsley's health profile, 18 are worse than the national average and one is better—it happens to relate to deaths in road accidents, although that might be connected to the low incidence of car ownership, which in turn might be connected to the fact that 29 per cent. of residents are dependent on health-related benefits, against a national average of 13 per cent. Knowsley's figures for smoking are above the national and north-west averages. According to the statistics, we also have the worst record in England for the number of adults who eat healthily. Our male life expectancy is seventh lowest in the country and female life expectancy is fifth lowest. The main reasons for that gap in life expectancy are coronary heart disease and cancer, although we have had a proud record in that respect over the past decade, given that deaths from coronary heart disease have fallen by 19 per cent. and those from cancer have fallen by 5 per cent.

As regards the provision of funding to meet Knowsley's health needs, I must acknowledge that the Government have recognised the problem and provided significant uplifts in funding over the past three years, and we are grateful for that. That money has been spent wisely, with sound budgeting, efficient organisation and proactive health improvement measures. Generally, our record has been good. For example, Knowsley PCT has managed the implementation of the new GP and dental contracts better than many other PCTs, and I have had little problem solving my constituents' difficulties in that respect with the PCT's help.

However, Knowsley is still 3 per cent. off the expected target for an area with its health profile, and that amounts to £9 million per annum. The financial strategy for the next two years assumes that we will have a 6 per cent. uplift, given Knowsley's under-target position. If

that turns out to be over-optimistic, planned investments to make a real difference to the health inequalities suffered by the people of Knowsley might have to be reduced or delayed.

Much of Knowsley PCT's undoubted success in managing its resources is due to the synergy of its working arrangements with those of the local council. The two bodies pioneered the joint appointment of the PCT's chief executive and the council's director of health and social care. That has allowed for an integrated approach to health and social care and joint working to address the health inequalities agenda. That has been made possible through section 31 arrangements with the local authority, the pooling of budgets, the sweating of assets and, generally, by working together to achieve efficiencies across a wide range of services.

Although such working arrangements have contributed to the PCT's undoubted success in addressing the health inequality agenda, its future success is vulnerable to the outcome of the comprehensive spending review. The local government formula has less weighting for social deprivation, and the local authority fears that there will be a standstill in uplift because its population is not increasing at the same rate as elsewhere in England, where there are higher levels of immigration. Clearly, that will have an impact on health care in Knowsley, as the council will have less money to invest in initiatives to help improve the health profile of the people of Knowsley.

As in many other respects, Knowsley, which is typical of the Liverpool area, has a story to tell about its attempts to address the health inequality agenda, and it can be justly proud of it. At the heart of that success story is the close working between the PCT and Knowsley council. Like other PCTs, Knowsley PCT is therefore highly dependent on the outcome of the CSR. I therefore urge the Minister to give due and particular attention to that and to ensure that Knowsley council and Knowsley PCT can continue to address health inequalities in Knowsley as well as they have in recent times.

**Several hon. Members** *rose—*

**David Taylor (in the Chair):** Order. I shall call the Front-Bench speakers at exactly 12 o'clock, but I shall give two minutes to Tony Wright.

11.58 am

**Mr. Anthony Wright** (Great Yarmouth) (Lab): I will be very quick, because everything has been said. Clearly, this is a major issue for Labour Members, and it is significant that the Opposition Benches are empty; either Opposition Members have no health issues to raise or their areas are well funded by the Government.

All too often, we can be critical of the health service, but there has been significant investment in my constituency in the past 10 years, which has significantly improved the health of my constituents. However, there are problems with the way in which the formula is worked out. Significantly, the formula for Great Yarmouth means that we are now 3.5 per cent. below the average, but that does not tell the complete picture. Although we are underfunded, we were on target last year, but we were penalised because money was clawed back from the SHA as a result of shortfalls in other areas. In fact, our formula works out at about 6.9 per cent. below the average, which is a considerable amount of money—around £21 million—and it is something that we need to look at.

I am aware that the Government are looking at and will probably change how the formula is calculated. I do not think that there is anything wrong with the formula per se, but the funding is not coming. I would like an assurance from the Minister that there will not be changes to the formula that would change PCT funding procedures overnight.

12 noon

**Sandra Gidley** (Romsey) (LD): I, too, congratulate the hon. Member for Wigan (Mr. Turner) on securing this important debate. Although at times it has seemed like a competition to decide which of the many eloquent speakers has the worst life expectancies or funding in their constituencies, I recognise the passion with which all who have spoken put their case. The title of the debate on the Order Paper is "Impact of health funding on health inequalities". Although there is a geographical aspect to such inequalities—not, as others have demonstrated, a north-south divide—I should like to talk about gender and race inequalities.

The hon. Member for Wigan said that there is no doubt that a person's life expectancy and health outcomes are affected by their social class at birth and by where they live, and a powerful case has been made for increased funding for areas that have the greatest need. I acknowledge that money has been spent, but we must ask whether it has been spent in the most effective way, because much of the extra Government funding has been diverted to secondary care. If we are to tackle inequality problems in the long term, we must ensure that more money is spent on the preventive health agenda and that more people have good access to primary care.

The Government recognised the inequality problem and announced that there would be 88 spearhead PCTs in 70 of the local authorities with the poorest health outcomes according to many of the indicators. The aim, which we might all agree was a worthy one, was to tackle inequalities in the long term, focus on improving life expectancy and reduce more quickly rates of premature deaths from cancer and heart disease. We might have expected to see those PCTs increase spending on public health if they were truly to address their aim, but the Liberal Democrats have analysed the public health spend in all PCTs, and unfortunately, we found absolutely no correlation between spending and the extent of need.

For example, in 2005 Lewisham was designated to receive proportionately more Government money than other PCTs to compensate for its position in the one fifth of areas with the worst health and the largest gaps between rich and poor. In fact, there was a drop in public health spending by that PCT far in excess of any other trust—14 per cent. of total PCT spending used to go on public health but the figure has dropped in recent years to 1.7 per cent. We must ask ourselves why there was such a dramatic reduction and whether it was to do with other financial pressures. Why was Lewisham PCT allowed to take its eye off the important goal of reducing health inequalities in the long term?

We also discovered that a quarter of all spearhead PCTs spent less on public health in 2005-06 compared to 2003-04, and that 26 received an increase in public health spending of less than £1,000. Will the Minister

*[Sandra Gidley]*

explain why that happened and why it was allowed to happen, and say something about whether we can stop it happening in future?

The hon. Member for Norwich, North (Dr. Gibson) spoke about directing money toward different budgets, and that needs to be looked at closely, because there are huge variations between trusts. The King's Fund has analysed the national programme budget project—the NPBP—and the Government have collected data since 2003 on 21 different disease areas. There are now sufficient data to allow comparison between PCTs and to enable us to ask questions about whether they are putting funds to their best available use.

Analysis shows that the three largest shares of increase in overall PCT spend have gone to mental health, heart disease and cancer. That reflects Government priorities and no one should have a problem with it. However, the analysis also shows that there are large variations in the amounts and proportions of total budgets spent on individual disease areas by PCTs. For example, Islington PCT spends £406 per head on mental health compared to the £56 per head spent by Bracknell Forest PCT. We can argue all we like about whether people who live in Islington are any saner than people who live in Bracknell Forest, but there is also a fourfold difference in spending on cancer, a threefold difference on circulatory system diseases and an eightfold difference on musculoskeletal problems. It might be argued that the differences can be accounted for by relative needs, and there may be an evidence base for them. However, even when we adjust for those factors, we can see that the sevenfold spending gap between Islington and Bracknell Forest reduces only to a fourfold gap, which is still a huge difference in the amount spent.

The same pattern occurs around the country in relation to spending on cancer. After taking into account known population differences, the proportion of budget spent on cancer ranges from 3 to 10 per cent. of a trust's overall budget. Local decision making cannot account for such a wide discrepancy. In-depth research ought to be undertaken so that we can compare amounts spent to outcomes, to see where money is most effectively spent and to learn lessons from that.

I shall briefly talk about gender. On average, women live five years longer, but there is a wider gap in the most deprived areas. The situation is even worse than that suggests, because general health outcomes are worse for men. For example, women contract skin cancer much more frequently, but men have a higher death rate from the disease. We are not serving men well if we allow such things to happen. Again, bettering men's health is not necessarily down to spend; it is down to taking different approaches to tackling their problems. Men between the ages of 16 and 34 consult a GP half as frequently as women, and the outcomes are there for all to see. Asian men have a high rate of diabetes, but funding formulae do not account for ethnic mixes.

Finally, I shall comment on the Institute for Public Policy Research report that was published yesterday. It claimed that focus on choice has helped the better-off, but that to help the poorest, public services need to be personalised. Research has shown that the more affluent and better educated a person, the greater the health benefits they receive from the NHS. Care for such people is planned, but the less affluent tend to present themselves as emergencies. People in poorer areas have 20 per cent. fewer GPs per 100,000 people than in the most affluent areas in the country. Cancer death rates are 29 per cent. higher in the poorest fifth of the population.

In summary, money is important, but some of my examples show that we perhaps need to aim at other targets. We need to look at access to health services in the most deprived areas. People will not access a GP if they cannot get to one via a good travel network, and they may not be able to afford a car. All such things are relevant. Furthermore, do we have enough health visitors going into deprived areas to try to encourage families to adopt healthy living styles from the outset?

I have a final query: the Darzi review recommended polyclinics. If we centralise our health services, will that mean that in the poorest areas the poorest people, who are least likely to access existing services, will be even less likely to access them in future? There is much food for thought in what is happening, but much potential for improvement as well.

12.9 pm

**Mr. Stephen O'Brien** (Eddisbury) (Con): I congratulate the hon. Member for Wigan (Mr. Turner) on bringing forward this vital debate. He has long campaigned for those of his constituents who have been adversely affected by health inequalities under the present Government. I note also his work chairing the special interest group of municipal authorities within the Local Government Association, particularly with reference to its report of last month, "Caring for All: balancing fairness and stability in the funding of local services". He slightly spoilt his introduction by, of course, attempting some party political point scoring. Perhaps I can help him. I do not know where he has been in the past few days, but recent events suggest that he may need to catch up—that in fact the Prime Minister has bottled it and ignominiously retreated from facing the electorate, having marched him and all his colleagues up the hill.

**David Taylor (in the Chair):** Order. The debate is on the impact of health funding.

**Mr. O'Brien:** I am grateful. I am sure that the hon. Member for Wigan will agree with me that the fact that this debate is being held 10 years into the rule of a party that pledged from the outset to stand against such inequalities says something about the impact that his party has had—or rather has not had—on the country. I represent a constituency in the north-west, which is particularly well represented in the debate this morning, and that fact is important.

I also want to thank the hon. Gentleman, who is a well-known Wigan rugby league club supporter, for ceding Jason Robinson into union, without whom England might not have succeeded so well at the weekend.

Under the present Government, the relative gap in life expectancy for men has increased by nearly 2 per cent, and for women it has increased by 5 per cent. The latest figures on infant mortality confirm the previously reported trend. Despite overall improvements, the relative gap between the routine and manual groups and the

population as a whole has widened over recent years, since the target baseline; and the number of sexually transmitted infections has doubled over recent years.

**Kelvin Hopkins:** Will the hon. Gentleman give way?

**Mr. O'Brien:** I will not, because we are very short of time, and the hon. Gentleman had his own chance.

We have had a wide-ranging debate in which many good points were covered. Many effectively amounted to bids, which I am sure the Minister will deal with individually when she replies.

The hon. Member for Wigan may remember a supplementary question on health inequalities that he put to the then Health Secretary, the right hon. Member for Darlington (Mr. Milburn), in 2002. The response was

"we are now in the process of reviewing the whole way in which NHS cash is distributed to local communities."—[*Official Report*, 26 March 2002; Vol. 382, c. 688.]

Sadly, the current Administration, particularly as regards health policy, has rarely moved beyond the review as a piece of ongoing politicking. Last week brought us Lord Darzi's interim report. Its release just before the end of the recess served not only to deepen the electoral chasm left by the Prime Minister's fear of the electorate, but also to avoid Lord Darzi's having to come to the other place. Notwithstanding the claim with which he opens his report—

"I'm a doctor not a politician"—

can the Minister tell us when the noble Lord—whose main job now, whether he likes it or not, is as an accountable politician and a Minister, and who is paid by the electorate and who accepted the job—will make his maiden speech in the House of Lords?

In his interim report, the noble Lord twice made the point that

"the Secretary of State has announced a comprehensive strategy for reducing health inequalities".

It is true that in his statement to the House on 4 July, the Secretary of State for Health said that the matter of health inequalities is "crucial to the Government" and, referring to the Darzi review, that it was

"too important for us to wait for that review".

He gave an assurance that the Government would

"crack on with that as an absolute priority."—[*Official Report*, 4 July 2007; Vol. 462, c. 969.]

However, the Secretary of State seems to have made the announcement neither to the House nor, even more surprisingly, to the press. True, the Minister of State, the right hon. Member for Bristol, South (Dawn Primarolo) announced a web-based health inequalities intervention tool on 23 August. As far as I can see, all it does is tell spearhead primary care trusts whether to focus on smoking cessation, reducing infant deaths or preventive prescribing for cardiovascular disease. Undeniably that is of some use, but it is a far cry from a strategy. Indeed, the biggest claim that the Government made of it was that it could

"be used as part of a comprehensive local strategy to reduce health inequalities."

Will the Minister tell us when the Secretary of State will make good on his promise of a comprehensive strategy for health inequalities?

Another review that the hon. Gentleman will be familiar with is that relating to the market forces factor, to which his constituency neighbour, the then Health Minister, and now Chief Secretary to the Treasury, the right hon. Member for Leigh (Andy Burnham) made reference in a Westminster Hall debate secured by the hon. Gentleman on 6 June. The hon. Gentleman may be interested to know that his comments in that debate were well reported by the Revolutionary Communist Party of Britain (Marxist-Leninist) on its website.

The first review referred to by the then Minister was

"an overall funding formula review that will examine the make-up of the market forces factor",

being undertaken by the independent Advisory Committee on Resource Allocation, to be published before the allocations were made. The second was a

"specific review of the technical aspects of the MFF, which is different from the general funding formula review that ACRA has undertaken."—[*Official Report, Westminster Hall*, 6 June 2007; Vol. 461, c. 138WH.]

The hon. Member for Falmouth and Camborne (Julia Goldsworthy), who was also present at that debate, said that she was informed at Christmas that the latter report was on the desk of the then Minister, Lord Warner. The Minister also made reference to the departmental consultation on payment by results, confessing that the market forces factor had been left out of the public consultation, but included in the independent, but ultimately internal, review.

Resource allocation is still being decided across the country on the basis of assumed and aggregated data in respect of deprivation and age. We increasingly have data that would allow known morbidity in a community to be the basis on which NHS resources are allocated. Can the Minister tell us, first, when ACRA's overall funding formula review will be published; secondly, when ACRA's specific review of the technical aspects of the marked forces factor will be published—and why it has lain so long on Ministers' desks; and, thirdly, when the results of the departmental payment by results consultation will be published? Can she also confirm that ACRA will take account of morbidity data in its review and reflect them in the funding formula? Will the funding formula be changed to reflect local pay variation as has been done with the area cost adjustment in the local government formula?

It was the Government's intention to publish an annual status report on health inequalities, but the first report took two years. They said in July 2003 that the Department of Health would publish an annual report on health inequality indicators, related to the health inequality targets. The first was published in August 2005 just as we were in recess. Will the Minister tell us whether she plans to reinstate that? Any Government who want properly to address the issue of health inequalities will focus not on absolute reductions, but on the relative gap between the most and the least healthy, and between the richest and the poorest. I have no doubt that the Minister will tell us all the statistics on how many cancer and coronary heart disease deaths have been prevented in the last 10 years, but will she admit that they are on a trend that was pretty well established in the latter part of the 1970s for coronary heart disease and in the early 1980s for cancer? What plans do the Government have to switch to meaningful metrics?

In "The Road to Wigan Pier" George Orwell said

*[Mr. Stephen O'Brien]*

"a man who drinks a bottle of whisky a day does not actually intend to get cirrhosis of the liver".

Admittedly, that was a metaphor illustrating Orwell's luddite attack on mechanisation, but it is a moot point for today's debate. Only last month the Department of Health announced an increase in consumption among school-aged pupils who drink. On current trends obesity will overtake smoking within three or four years as the principal cause of avoidable death in this country, bringing concomitant diseases in its wake. The story is similar with rising alcohol consumption, drug abuse and a rise in sexually transmitted infections. Yet the Government were all too happy to watch public health budgets being plundered as PCTs tried to rake in cash to pay off a deficit of the Government's making. A Conservative Government would give PCTs dedicated public health resources. When will the Minister show that she really cares about combating health inequalities and do that?

One issue that is not often addressed under the heading of this debate is long-term care: it is right, however, that any debate on health inequalities should look at inequity across the age range. In fairness, several hon. Members, not least among whom was the hon. Gentleman, conceded that point. Today we anticipate something of a damp squib with the comprehensive spending review, with the Government failing once more to address the scandal of people selling their houses to fund their long-term care, something that was deplored by the former Prime Minister and Member for Sedgefield in 1997. I suspect another dodge by the present somewhat enfeebled Prime Minister. That could be the only thing to trump the brazenness of the Liberal Democrats, who are still running with the headline—it is on their website if anyone wants to look—about a free personal care policy, despite their health spokesman's confession in this very Chamber that it is a dishonest policy.

I look forward to hearing what the Minister has to say. I hope that she will give firm dates for the publication of the various reviews that I mentioned and that she will use the opportunity radically to overhaul the Government's public health strategy, to begin combating the growth in health inequality of the past 10 years.

12.20 pm

**The Minister of State, Department of Health (Dawn Primarolo):** I congratulate my hon. Friend the Member for Wigan (Mr. Turner) and the 10 Labour MPs who have spoken so eloquently in this debate. It is timely in the parliamentary agenda.

Since the creation of the national health service, we have seen impressive social, economic and health improvements in this country. People in all regions and from every social group are healthier and living longer than ever before, and we should celebrate that, but—it is a big "but"—despite those tremendous achievements, health inequalities remain. The Government recognise the great challenge that they pose and have established the most comprehensive programme ever seen in this country to address that deep social injustice—as opposed to the previous Tory Government, who buried the Black report and ignored it.

Health inequalities are proving stubborn, persistent and resistant to change, and we are disappointed with the progress made. We have set national targets to narrow the gap in infant mortality across socio-economic groups and in life expectancy across geographic areas, but we have not seen the narrowing that we want. We knew that it would take time; we are the first Government in a generation to recognise it as a priority and choose to highlight it. We must acknowledge that every major country in the world, with the possible exception of Sweden, is struggling to resolve this intransigent problem.

There are some early signs of progress. Some 60 per cent. of the areas with the worst health and deprivation, referred to as spearhead areas, are making progress to narrow their share of the life expectancy gap by 10 per cent. by 2010. We have already seen a 27.9 per cent. reduction in the heart disease absolute inequality gap and a 12.7 per cent. reduction in the cancer absolute inequality gap between the spearhead authorities and England, but as my hon. Friend the Member for Norwich, North (Dr. Gibson) said, we must do more. The cancer reform strategy to get individuals to GPs early and the additional help in spearhead authorities are addressing the challenges.

The number of children living in absolute poverty has been halved. The number of homeless families living in bed and breakfasts has been reduced sharply, and the number of teenage pregnancies is down. We have proved that with a concentrated effort it is possible to close the gap between the affluent and the disadvantaged. If the problem is stubborn and persistent, we as a Government must be so too. We are determined to see change on inequalities.

The Secretary of State has said that tackling health inequalities will be central to the work of the Department of Health and is his priority for the NHS. He has announced that we will publish a comprehensive strategy next year for reducing health inequalities. In his interim report, published last week, my noble Friend Lord Darzi described the aims of the comprehensive strategy: to ensure that the NHS and other health services close unjustifiable gaps in health status between individuals, whatever their background, to ensure fair access for everyone to the NHS and to treat all patients fairly with high quality and good outcomes of care for all.

**Mr. Ken Purchase** (Wolverhampton, North-East) (Lab/Co-op): Will my hon. Friend give way?

**Dawn Primarolo:** If my hon. Friend will allow me, there is so much to answer from those who have already spoken. I shall make progress, but I am happy to speak to him at the end.

My noble Friend emphasised in his report the need to help all members of our diverse population live longer, healthier lives, especially those least able to help themselves. What that will mean for areas with poor primary care provision is clear from that interim report. There is a strong correlation between underdoctored areas and deprivation: many such primary care trusts are also spearhead areas. A new package will provide 100 new GP practices, including up to 900 GPs, nurses and health assistants, in the 25 per cent. of PCTs with the poorest provision.

**Mr. Purchase:** I am grateful to my hon. Friend. I exempt her from my earlier comments about no socialist being a member of our Government. The

Minister has read out a series of points, all of which are self-evident and have been so for many years, yet I understand that we are spending millions more on yet another review. I urge her to lead from the front in a good socialist way and implement it without further delay.

**Dawn Primarolo:** I am always grateful to my hon. Friend for his support and encouragement. I am sure that he agrees that change must be put in context. I challenge the picture that the Opposition parties wish to paint—that nothing has been done. We are the first Government to do so, and we are making progress, but more must be done.

My hon. Friend the Member for Wigan focused particularly on resource allocation. Investment in the NHS has trebled since 1997 and now stands at £90 billion of public money. To ensure that the money reaches those in most need, the PCTs' revenue allocation fairer funding formula takes account of deprivation, need and unmet need. We are tackling health inequalities through mainstream core funding, but my hon. Friends have quite rightly questioned some of the provision. They know that we inherited a situation in which some PCTs were getting more than they should, and it takes time to adjust that.

I give credit to my hon. Friend for the pressure under which he has kept the Government, ensuring particularly that the pace of change policy closed the gap. ACRA, the independent body overseeing the development of weighted capitation, is considering a review of how that formula works and whether it delivers the outcome that we expect. I can give my hon. Friend the Member for Great Yarmouth (Mr. Wright) the reassurance he seeks. We have not yet received ACRA's recommendations. When we do, we will consider carefully before deciding whether, when and how the formula should be changed, for the reasons that he mentioned.

Under the fair funding formula, Ashton, Leigh and Wigan PCT received an allocation of £449.1 million. During the two-year period 2006-08, it has benefited from a total resource increase of £74 million, or 19.7 per cent., which is greater than the average national increase. It has also received £4.8 million in additional funding through allocations from the £553 million. Under the pace of change process, we have continued to reduce the gap.

To follow the comments made by my hon. Friends, we as a Government have faced up to the problems of health inequalities, but we must now act. Improving the health of the nation means ensuring that those with the poorest health improve the fastest. I congratulate my hon. Friend on securing the debate. I listened carefully to the comments and representations made, and I shall take them back with me to the Department of Health.

## Government IT and Software Procurement

12.30 pm

**Dr. John Pugh** (Southport) (LD): IT procurement within Government is thought to be an unmitigated disaster, but that is not true. There is good and bad procurement in Government, just as there is in the private sector, and mistakes made in the private sector are sometimes similar to those made in the public sector. Nevertheless, Governments have wasted a lot of money on IT over the years, with a number large of projects being overspent or overrun, and from time to time stuff has been bought that is not fit for purpose.

A consensus is now emerging about what good procurement is, which is supported by the Office of Government Commerce among others. The view is that good procurement should be competitive and should result in an effective partnership; software should be adjusted to the needs of the users—those who, at the end of the day, have to operate it—and it should be capable of being updated and adjusted economically.

Four things ought to be avoided. The first is a lock-in, an indefinite commitment to a single proprietary solution—endless licensing renewal that the Government simply cannot get out of. Secondly, there must obviously be interoperability; its absence will always be a problem, because it limits the growth and integration of whatever software has been bought, as well as one's choice of supplier. Thirdly, it is preferable to have access to the source code, so that if necessary people can understand what they have. Finally, it is extraordinarily helpful to have a good skills base on the client side, so that people know what they are dealing with.

On that basis, one would expect the Government to have made use of the growing British open-source software industry, which is by and large highly successful, although there are exceptions. It is successful in a number of operations known to all, such as eBay, Amazon, banks and stock exchanges and so on. However, apropos of such technology, we have a rather peculiar position. There is a lot of tokenism and talk about what benefits it may have, and there are policies aplenty, and I do not think that anyone would argue with the policies per se. However, there is relatively little pick-up of and involvement with open source by the Government compared to the private sector and other EU Governments. That is somewhat peculiar, because it is alleged that substantial savings can be made through the wider application of open-source and non-proprietary software. The hon. Member for Tatton (Mr. Osborne) made something of that some time ago, and I agreed with him—indeed, I might have thought it before him—when he said on behalf of the Conservative party that a 5 per cent. reduction in the Government IT bill could be arranged if only open source were seriously considered.

The alternative, which applies across many Departments, is the tendency to have memorandums of understanding with big companies, often foreign and usually American. There is a close association between that side of the industry and the Government—an association that is personal, consultative and advisory. The House will be aware that the former Prime Minister launched the Labour business manifesto at Microsoft. Hon. Members will also be aware that, on the International Business Advisory Council formed by the current Prime Minister,

*[Dr. John Pugh]*

there sits the owner and founder of Microsoft. However, that is not the only problem. Tendering processes and thresholds for the submission of tenders applied by the Government actually exclude many companies—not only open-source companies but many smaller companies and small and medium-sized enterprises. For example, one thinks of the British Educational Communication and Technology Agency agreement for educational software.

The crucial and damning aspect of the Government's treatment of certain sectors of the industry is that many of the applications chosen by Departments are locked into and tilted towards well-known proprietary solutions. I shall give some examples. The Driving Standards Agency driving theory CD-ROM can be used only on Windows computers. The Revenue website has limited functionality for the Firefox web browser, the most popular alternative to Internet Explorer and one that some would argue is more secure. The Department for Work and Pensions online benefits system can be accessed only by those who have a Windows computer. Those who have Unix or Linux computers or who use Mac computers should simply not bother. Technically, the Government gateway is owned by Microsoft, and there is a certain amount of co-advertising of products between the Government's chosen solutions and the providers of those solutions that, at times, is close to being product placement.

I believe that things are worse than that, however. We accept that, like many industries, the software industry is a free market, and that the free market has various desirable outcomes and can bestow great benefits. However, free markets do not prevent monopolies. Worse still, they do not prevent the misuse of monopoly or quasi-monopoly power. They do not prevent predatory pricing or the stifling of real competition; nor do they provide absolute protection for consumers, so that they can have long-standing alternative choices. That is why the Government regulate, as do other bodies throughout the world. The United States has its anti-trust laws, and the European Union has its competition regulations. The Minister will be aware that the US Department of Justice and the attorney generals of 20 states sued Microsoft in order that they became what I might call a more open partner in the free economy. Classically, the Court of First Instance in the EU fined Microsoft for non-competitive or anti-competitive behaviour.

**Andrew Miller** (Ellesmere Port and Neston) (Lab): The hon. Gentleman makes an interesting case, which I am following in detail. Would it not help in the quest for openness if the British Standards Institution were to follow the lead in other parts of the world and make open source XML one of the standards to be applied throughout the world? It would mean that people working outside the Microsoft sphere could have access to the code, and it would help the world in future-proofing big projects such as the British Library archives.

**Dr. Pugh:** The hon. Gentleman is far more expert in this field than I am. He will be aware of the debate on XML and of what standards should be used for office applications and the like.

**Andrew Miller:** Open source.

**Dr. Pugh:** I agree. The hon. Gentleman makes a fair point, and the more we converge around open standards, the fewer arguments—arguments of the sort that I am involved in now—there will be.

In fact, Microsoft is not the only villain of the piece. The BBC was forced to withdraw its net learning project—at least in part, the BBC is a Government agency—because it was judged by the EU to be anti-competitive. The point is that the Government have a huge impact in the market as purchaser. They can use that power partially or fairly. They have the capacity to distort the market, and they can render it less open and less competitive. It seems to me that the Government are, in part, in breach of EU regulations. A prima facie case can be made that here we have illegal state aid—a similar case to that made with regard to the BBC iPlayer. The public sector is the biggest procurer in the UK. If the public sector skews the market to favour certain companies and if the Government distort the market by their actions as a prime purchaser, it is not the same as a private company doing so; in a sense a private company is free to do so. The Government are spending public money, and in doing so, it is difficult to see how they are not also breaching state aid rules and providing illegal state aid. If someone cannot access benefits online without using a Windows-based computer, as is currently the case, I do not see how the Government can be doing anything other than involving themselves in illegal state aid. They simply do not need to do that as it would be technically possible to access the system some other way.

Personally, I put up with the fact that inside the Palace of Westminster I can no longer use an Apple Mac computer to surf the internet, which the Parliamentary Information and Communications Technology department has said is because of security, although it has never actually explained how. Why should benefit clients have to purchase Windows Vista, which costs a few hundred pounds, when technically, if the Government allowed them, those clients could do the same thing for free on an operating system such as Linux? Why are the Government making people do that?

**Andrew Miller:** Just to put the record straight, the decision to take Apple Macs out of the service supported by PICT was a decision of Members; indeed, the old Information Committee, on which I served for nine years, took that decision.

**Dr. Pugh:** I exonerate the Government on that point and turn my accusation against the members of that Committee. I made my representations and will continue to do so. This issue is as clear a case of illegal state aid as, for example, the BBC iPlayer—a case that will go to the EU—and Jam, the internet resource. Other organisations, such as BECTA, also have cases pending in the EU court. Why are schools advised on upgrades to Windows, but not on upgrades to OS X, for example, which is used by a couple of schools near me?

I have every respect for Microsoft's technology and enterprise and for its founder. However, during the court case against Microsoft, Judge Jackson in the US Department of Justice said—I would not have put it in such a way, as he said things that are quite damning—that Microsoft's executives had

"proved time and time again to be inaccurate, misleading, evasive, and transparently false...Microsoft is a company with an institutional disdain for both the truth and for rules of law that

lesser entities must respect. It is also a company whose senior management is not averse to offering specious testimony to support spurious defenses to claims of its wrongdoing."

I think that that is harsh. I might choose to believe Microsoft when it tells me that the Office suite and other products provided for the NHS Connecting for Health programme are thoroughly interoperable and replaceable if they are not cost competitive—it has told me as much. I would like to believe the Government when they tell me that they have an efficient deal with Microsoft in relation to Connecting to Health, but I am less than happy that the details of the deal are subject to a confidentiality clause. Microsoft executives tell me that they have changed and that interoperability is the name of the game. Apple, Oracle and some of the other bigger firms are scarcely blameless, but my key point is that the institutional bias of the Government for this particular firm seems to be an open and shut case of illegal state aid.

I choose to have a Windows computer at home and in my office. I am obliged by the Government—until I get my P45—to use a Windows computer if I want to apply online for benefits. If the problem did not concern software and I was forced to buy a Vauxhall car to use the roads, it would be a simply intolerable situation. The fact that this issue concerns a new industry makes the point less obvious, but none the less equally damning.

Fundamentally this debate is about neither Microsoft nor open source; it is about eradicating the suspicion and certainly the prospect—indeed, I believe it is the reality—of illegal state aid being given to any software enterprise through the use of public resources.

12.44 pm

**The Exchequer Secretary to the Treasury (Angela Eagle):** I congratulate the hon. Member for Southport (Dr. Pugh) on securing the debate and thank him for raising the issue. In general, Government IT and software procurement are important matters. He is right to say that, through their decisions on procurement, the Government can have some influence on the way in which the market develops. However, the Government must also provide software that is relevant to the computers that most people in the UK have and, as he admitted, Microsoft Windows is one of the dominant operating systems.

**Dr. Pugh:** That is the type of canard that comes up every time—that we must use a particular supplier because everybody uses it. If the Government are obliging people to use a supplier, that becomes a self-fulfilling prophesy, as I am sure the Minister will acknowledge.

**Angela Eagle:** I caution the hon. Gentleman to allow me to develop the theme of my speech before he leaps up hyperventilating and continues talking about the great Microsoft dominance. The Government are neutral about the types of software systems that they wish to be used. I accept that the Government spend taxpayer's money and need to get the best possible value and effective procurement.

The hon. Gentleman is right that there are examples where new technology has made a real difference and transformed the way in which Government services are made available to citizens. On health, 37 million prescriptions have been transmitted electronically; nearly 350 million images—X-rays and scans—have been digitally stored; and more than 5 million hospital appointments have been booked online through Choose and Book, which gives patients more choice and improves value for money. As part of our overall strategy for transformational Government, it is extremely important that new ways of delivering services are robust, available to all and of benefit to citizens.

I know that the hon. Gentleman does not want lock-in and wants to get rid of proprietary dominance in software procurement, and he is right that we need to avoid the risks of lock-in with particular suppliers—whether that is Microsoft or anyone else. For that very reason, I am keen to explore the benefits of open source software solutions. There can sometimes be a danger of lock-in with some proprietary providers, and we must avoid developing an over-reliance on individual suppliers. The Government, via the Office of Government Commerce, work hard to avoid that by using open standards to ensure that different suppliers' software can be used interchangeably. However, I agree that open source software, which philosophically speaking everyone in this room would be in favour of, can be another option. I agree that open source software and different operating system platforms can help to ensure the healthy competition that we want in the software market. Competition policy is another of my ministerial responsibilities, so I am anxious to see that flourish in the procurement market.

We have been considering open source software for a number of years and both the Office of Government Commerce and the British Educational Communication and Technology Agency, which the hon. Gentleman mentioned, have published reports on open source software in the past few years. We set out the Government's policy on such software in 2004. Government policy makes it clear that, as a procurement agency, we do not favour either open source or proprietary providers. The best provider in each case, based on ability to meet our requirements and the value for money that can be provided, is our aim in government, and that is what the OGC strives to make available as an approach for all Departments and local authorities that seek to procure.

The Government want to see a level playing field for all suppliers, so that each individual procurement can be judged in a decision on its merits. That is effectively what happens. Since setting out that policy, we have made increasing use of open source software, which is now playing a key role in the delivery of some of our most high-profile IT projects. Our key online portal, Directgov, successfully uses open source products, so its 6.5 million users every month already benefit from the Government's use of open source, whether they realise that it is open source or not. A significant part of the Driver and Vehicle Licensing Agency's electronic vehicle licensing system, which provides a more convenient service at lower cost to the taxpayer than before, is delivered through open source components. In the past year, more than 75,000 people have used it to buy a driving licence.

As well as procuring open source software, the Government have supported it. We backed the Open Source Academy, for example, which brought together local authorities to encourage and support the adoption of open source technology. Some of them, like Bristol city council, have embraced open source solutions. The Government are even providing open source solutions to the public. The National Archive has released its file

*[Angela Eagle]*

format identification system, which is called DROID, based on an open source licence, and that has been downloaded 1,600 times in the past year. We are using open source software, and we realise that there can be benefits from doing so.

I personally like the philosophy of open source, the idea of users collaborating and working together to improve the product, and the fact that open source software can encourage competition in the market, which I want to see and am committed to. It is for the Government to get the best software and IT possible for each procurement, so that we can give people the best service and the best value. If open source software can help to achieve that, I want to see the Government use more of it. We have shown that we are willing to encourage that, but we will only do it where open source options can provide the quality, reliability and security that we need and if they can offer the best value for money. That is in the nature, as the hon. Gentleman must appreciate, of procurement.

It is often suggested that open source solutions offer better value because they are cheaper to buy. In fact, the total cost of ownership is considered in procurement, and it is not always the case that the open source solutions are the cheapest. Although they are free of licence charges, because they can involve high levels of support and training costs, they sometimes do not provide the best value for money. External studies have not shown a consistent cost advantage to open source solutions over proprietary solutions. It is often bandied about when such issues are debated that proprietary solutions are necessarily more expensive than open source solutions, but we have yet to prove that. Some of the figures of potential Government savings from the wholesale adoption of open source that are being bandied about are not taking into account the extra support costs over the lifetime of the project.

Some open source projects cannot meet our needs for quality or security, and we are not prepared to compromise on those. Sometimes—I particularly wanted to get this message out today—we are just not offered open source solutions, although the Government are looking for them because we want the level playing field that we have tried to establish to be effective in practice as well as in principle. When the Cabinet Office and the Office for National Statistics wanted to procure desktop and other infrastructure earlier this year, for example, the specification was deliberately designed to permit open source as well as proprietary solutions. None of the 10 initial solutions that we received based their designs around a full or largely open source approach, although we have since worked with the successful supplier to ensure that open source options are available where that is cost effective. We are trying to shape this debate, but when contracts are put out to tender we are reliant on what comes back as an offer from the industry. If the industry is not offering us open source options, the hon. Gentleman cannot blame the Government for not taking them up. I want open source options in as many cases as possible that can compete on good value for money.

Today, I want to challenge the open source industry. We will not favour open source because, while it can be the best option and can offer the best value, it will not always. However, as I have said, we offer a level playing field, and I want to make that a reality. We will procure the solution that can offer the best value for money and that can best meet our requirements: high quality, reliability, security and more specific criteria in each case as the contracts are designed. If that solution is open source, we will use open source.

**Dr. Pugh:** I am grateful for what the Minister is saying; it is a useful background and encouraging to hear in some respects. The point that I was making, which she has not dealt with, was not about whether some of the tenders are open and above board and give everybody a chance to bid, but about what is being tendered for—in this case, it involved the DWP website. When that produces a product and solution that favours the further use of a company's products, that is quite different from the company's winning the original tender. Microsoft might not have had any part in designing the DWP website; I am simply suggesting that the DWP website, in so far as it influences and provokes other consumers, because they have to get a Windows computer—

**David Taylor (in the Chair):** Order. Interventions should be brief.

**Angela Eagle:** I understand the nature of ongoing contractual relationships. All that I can say is that because we do not want lock-in or citizens to be left with sub-optimal solutions, it is up to the people contracting to ensure that that does not happen. I think that we are far more sophisticated about that than we used to be. Our absolute insistence on open standards makes it far less likely that we will end up in a situation like the one the hon. Gentleman attempted to describe in his intervention.

I go back to my challenge to open source providers to work with IT services firms, so that they can integrate open source into the solutions they supply when they contract with the Government. That is already happening in many cases, and we are using open source—I have given examples of that—but I would like it to happen more. On our side, John Suffolk, the Government's chief information officer, will work with the industry and with departmental CIOs to help ensure that our open source policy is innovatively applied throughout the supply chain and in the future.

I thank the hon. Gentleman for his contribution to today's debate, for securing the debate and for his interest in the subject. I think that we share the same goal of ensuring that we have the best possible and healthiest mix of competition and innovation in the UK Government's procurement of IT software in an increasingly sophisticated environment, to ensure that services to citizens are modernised in the way that I have described. I hope that I have explained that we are committed to exploring the ways in which open source software can help us to achieve that and to using such software where it is appropriate to do so. We are committed to offering a level playing field, and we will make case-by-case decisions about which of the solutions presented to us in any procurement win. I want to challenge open source software providers to show us what they have to offer and what they can do, so that we can ensure a far greater mix of solutions, far greater competition and more innovation in the way in which we procure software, to give citizens modernised access to Government services.

## Child Location Services

1 pm

**Judy Mallaber** (Amber Valley) (Lab): It is a pleasure to serve under your chairmanship, Mr. Taylor, for the first time in an Adjournment debate.

This is the third time that I have raised in Parliament the need for the regulation and licensing of the burgeoning new industry in electronic location services, which are used particularly to locate children. In introducing this debate, I thank in particular John Carr—I thank him for my previous interventions as well—who is the secretary of the Children's Charities' Coalition for Internet Safety. This time, I hope that the Minister can assure me that the matter will be discussed seriously in the Department and followed up.

To recap on previous discussions on the matter, the internet kicked around for the best part of 20 years without anyone taking any real notice of it. In the beginning, it was principally the plaything of a small number of boffins working mainly in defence research establishments, essentially swapping test results with one another. Nobody really cared about this obscure technological development. How wrong we were. It was only when the internet started to penetrate the mass consumer market that a whole raft of social and political issues started to emerge, catching Governments and the policy-making community on the hop.

Today, we seem to be engaged in a seemingly endless game of technological and regulatory catch-up. We could now be at one of those historic moments with mobile phones and, above all, satellite-based technologies, which are facilitating the steady emergence of an array of cheap and easy-to-use surveillance tools that soon will enable every Tom, Dick and Harriet to become their own 007—for the first time in history, we all have it in our powers to be James Bond, or to be like the police and track another person 24 hours a day, seven days a week, 365 days a year. The mass consumer market is being targeted with cheap and easy-to-use tracking devices. We have not yet got a hold of the industry.

Just before I walked into the Chamber, about half an hour ago, I was sent an e-mail by Action on Rights for Children telling me about another new development in which the school uniforms manufacturer, Trutex, has mooted the idea of embedding global positioning systems in school uniforms. ARCH did not take that seriously. It thought that it was a silly season story, but it contacted Trutex's public relations company only to find out that it was true. Trutex is actively seeking ways in which to take that forward. At the moment, there is apparently no way for any Government Department to ask whether there are any safety or other issues that ought to be pursued with that company.

I first raised this matter at a time when I had seen a number of cases of journalists being able to track people without their knowledge. Also at the time I had just seen, on CNN, a piece about the CeBIT hi-tech trade fair in Hanover. One exhibiter said that he was amazed that more parents had not yet invested in his child location product. "Just pop it in your kid's backpack and get peace of mind," as he said. But the problem is: what if someone else pops that tracker into a kid's backpack in order to trace them? That exhibiter on that television programme advertising his wares did not say whether he checked whether his product was sold to parents or paedophiles. Those surveillance technologies that are getting going have indeed made their first appearance in the child protection market. That is where we need to be particularly concerned, although I think that there is a general issue about surveillance and such products coming forward without any real controls.

I made a speech during the ten-minute Bill that I introduced last year that called for a licensing regime. I have a copy of that Bill, which the Minister can use if he so wishes. It sought to establish

> "a licensing regime for the sale or promotion of any service providing data on the location of children where these data have been derived from any mobile telephone network, satellite system or other electronic or communications medium."

At the time, I referred particularly to the example of the Teddyfone—it is not hard to guess what it looks like. It is a very attractive little phone in nice blue and white livery that the hungry eyes of a little child would jump on. They would be only too pleased to take it away with them. Indeed, that company is targeting that very young market. The Teddyfone would fit easily into tiny hands, pockets or backpacks.

As I said, however, who checks to whom that product has been sold? Obviously, the phone does what any phone does. It lets someone talk to whoever is carrying it at the time. It also restricts who someone can call from it. However, just by sending a text message, it automatically and silently converts the phone into a listening device. When a colleague of mine contacted Teddyfone, it confirmed that the listening device was turned on without any audible warning. It said, "Well, if the child knew that you were listening, it would defeat the point of it."

One wonders not just about child safety issues. One might think that people know where that tracker is, but how do they know whether it is with their child, and how do they know that their child has not been given a tracker by somebody wanting to track them without a legitimate reason? Furthermore, is it good to be able to listen into a child's conversations without them knowing? I am not sure that that necessarily is the best way in which to move forward with social relationships and to ensure that parents' relationships with their children are the best that they could be. Do parents want their children to carry a phone into which a teacher or somebody else could listen?

Of course, however, the Teddyfone also turns into a tracking device and provides information on the physical whereabouts of the person carrying that phone. Obviously, that can bring wonderful peace of mind. A parent can feel safe because their child is carrying such a device. However, what peace of mind can it give if that service remains unregulated and open to misuse by strangers who might be very clever at grooming a child? We are sleepwalking into a surveillance society without having made sure that it is properly regulated.

Whenever a mobile phone is switched on, it is transmitting and receiving signals from individual, geographically-specific radio cells on the owner's mobile phone network. Therefore, the network knows where the owner is, possibly to within a matter of metres. If the phone is turned off, the operator will know where they were at the last connected moment. That has been very valuable. On the production of a warrant, that

*[Judy Mallaber]*

location information has always been available to the police who increasingly use it when investigating all kinds of crimes.

If I fell down a ravine and had one of those devices, I would be only too pleased that an ambulance could track me. If I was going up a mountain, I might well want one so that a mountain rescue team could find me if I got lost. They have many valuable uses. However, they are potentially very dangerous as well. At the moment, the UK's mobile phone networks have put that location information on sale to the public, and so far about 30 companies, of which Teddyfone is one, are packaging and selling it. Many of them are doing that in the name of child safety. If a person has a Teddyfone, without going to the trouble of talking to their child, they can go to a website and see where they are, or they can ask for a map to be sent to their mobile phone showing the same information. As I said, they can also decide whether to listen in to their conversations.

Devices are coming on to the market that do not depend on mobile phone networks. We have gone beyond a situation involving just mobile phones and on to global positioning system technologies, with which we are familiar in relation to satellite navigation and the ability to find a person's car. However, that tells a person where they are; it does not tell other people where they are. If they want road location information or to find out about traffic, they can plug it in and use it. That is very useful. At the moment, however, the combination of those two technologies—mobile phone networks and satellites—is much more potent than either technology used alone. That is likely to be the model for the future.

In theory, the child being tracked, if they have one of those tracking machines, has to give consent. However, it is a little absurd to think of a four-year-old giving their consent—and four-year-olds are part of Teddyfone's target market. How do we ensure that those systems are controlled, because clearly the four-year-old cannot agree to be tracked?

This is becoming very widespread. John Carr went into a company called Spymaster which sells equipment that spies on people. It is based off London's Oxford street. When he asked the sales assistant if there were any problems, for example, in buying an electric plug or a seemingly-normal fountain pen that doubled as a microphone or transmitter, she said, "No, because in the UK there is not a basic law of privacy". Of course, if someone heard anything from using a hidden microphone, it could not be produced as evidence in a court of law, but most of its customers are not interested in going to court. They are simply trying to collect intelligence.

From Spymaster's website, it is obvious who would want to use its products: perhaps overseas Governments or the super-rich. But it could just as easily be private investigators, who I am sure use such equipment. The danger of that equipment spreading far and wide without any proper regulation is clear. I shall focus on children, because that is our primary area of concern. However, I wanted to make the point that we now have a society in which those products are on the market and widely available to everybody.

I shall return to the issue of children's location products. The Home Office, the police and children's charities negotiated with the UK's six largest networks, and they agreed a voluntary code of practice governing the deployment of child location services and location services generally. The code existed when my ten-minute Bill was debated, so one may ask why I felt that we still needed regulation when a voluntary code was there to be used. At that time, there had been the examples of a *Guardian* journalist, who had managed to track his girlfriend without her knowing—I hope it did not damage their relationship—and a *Mail on Sunday* journalist, who had tracked various people, including a 14-year-old girl. I have her account with me, although I am not sure whether it ever appeared in the paper. There was another example, too.

I met representatives of some of the mobile phone companies last week, and they told me that they have ironed out some of those glitches and that some of the ways in which those incidents occurred have been brought under control. They have a code of practice, whereby, for example, the system cannot be turned on until the person who has the device on them has registered a response to a call asking whether they are happy for that to happen. That does not apply very well if the device is on a four-year-old child. In one of those examples of tracking, the journalist had himself responded to the call before his girlfriend got the phone back. The mobile phone companies tell me that they have sorted that issue out and that there is now a time lag before the response can be made. Having spoken to them, I know that they take their responsibilities seriously. The companies sell their services and allow people with their products to use their mobile phone network to locate people, but if the companies see that something is going wrong, they have the power to switch the service off. There is a control mechanism, but they can control it only by trying to issue guidelines to people who buy the products, or by undertaking mystery shopping.

The jury is still out on whether the voluntary code for using the mobile phone network will stand the test of time, but one of my reasons for pursuing the issue is that what I predicted when I introduced my ten-minute Bill last year has come to pass: tracking devices are becoming available through GPS systems and other technologies. When I read about the launch of a product called Buddy, I thought that it was based solely on GPS, but I understand from the company behind it that it uses a mix of GPS and mobile phone technology. That is because a mobile phone network will not work if the user is underground; they need the mix of the two technologies to make the product work effectively.

Systems that use solely GPS technology are being sold, however, and they fall outside the voluntary code that governs mobile phone networks. In any case, it is only a voluntary code, and it is hard to see how we can ensure that there is any control over the use of that technology and its potential dangers without licensing or regulating those who sell the product.

I have met the managing director of Buddy. The company seeks to use its system to track pets, which might be popular; to track people's parents who suffer from dementia and tend to wander off; and to use it with autistic children in particular. It has been working with the National Autistic Society. The company is aware of the potential dangers, and it seeks voluntarily to follow the same sort of code as that which the mobile phone networks have set down. Although we did not

agree about the exact form of any safeguards, the managing director said that safeguards are needed.

I do not want to introduce a difficult regulatory regime with a huge licensing bureaucracy that is going to be a problem for people, but we need safeguards and a licensing scheme for those who sell such products. That area must be looked at seriously. The people who are responsible within the industry clearly believe in some form of regulation. The mobile phone companies have their voluntary code, the managing director of Buddy agrees that some safeguards are needed and other people wrote to me after my ten-minute Bill debate last year.

I have a letter from an organisation called MindMe. It does not undertake child location services; it supplies industry and individuals with a portable security device for lone workers. Understandably, if one operates in an area by oneself, for example as a security guard for a company, it is helpful to have one of those devices in case one gets into trouble. MindMe wrote to me, saying:

"We are very interested in your proposals because we would welcome a licensing body for all forms of location services to cover both adults and children."

It went on to set out its concerns about its industry. I had similar responses from other organisations in the industry, so the idea does not provoke shock and horror among those in the industry, because they see the potential dangers.

If the system works, that is fine; if the voluntary code works, that is fine; if a company such as Buddy acts responsibly, as it seems to be doing from my discussions with its managing director, that is also fine. What happens, however, if something goes wrong? With a burgeoning industry, that scenario is increasingly likely, and Departments must get a grip on the issue.

After I raised the issue in my ten-minute Bill, I tabled an amendment to the Safeguarding Vulnerable Groups Bill. I subsequently withdrew it, but it would have introduced some safeguards to the legislation. I have not pursued the issue vigorously with Departments, but I cannot just sit back and let it happen any more. Appeals to the Home Office and the Department of Trade and Industry have drawn a blank in the past, and one letter in particular to those Departments did not elicit a very forthcoming reply.

The Department of Trade and Industry, which is now—really—the Minister's predecessor Department, provided financial assistance to a company that was developing a child tracking product. When the DTI was asked whether it had considered the possible criminal or other misuses of such technology, it said in effect that such questions were none of its business. What is more, it even gave the firm in question a prize for innovation. I appeal to the new Department for Business, Enterprise and Regulatory Reform not only to analyse child location services and tracking services, but to realise that it has a responsibility in that area. It must talk to children's charities and to the Home Office. They take a serious and deep interest in the ways in which technology can be used to endanger people.

When the DTI was asked whether it thought it should have consulted child protection specialists before agreeing to fund the development of a child detection product, the DTI officials just said no, so I ask the Minister to make his colleagues and officials aware that that attitude must change. I urge him to raise in the Department the issues that I put forward in my Bill, and to enter into discussions about the safeguards that might be introduced—preferably a licensing system, as I have put forward, although there may be other ways. The Department should take serious account of the safety of any product that comes before it—in any area.

We are sleepwalking into a situation in which anybody can come under surveillance. One example that worries me is somebody who is in a refuge because they fear violence from a partner. Commonly, those partners seek to find out where the refuge is, and it usually has a PO box number. If that partner wishes to chase them, what could be simpler than to put a tracking device in a phone, post it to the PO box number, and—subject to there not being a strike at the time—find out when it gets there where the machine, and therefore their partner, is? I discussed that issue with the managing director of Buddy yesterday, and she came up with some ideas about how to deal with that problem.

I hesitate to call for a great debate about the surveillance industry, but we cannot let the issue get out of hand. We have seen the dangers of other technologies only after they have been introduced: for example, the internet and the mushrooming number of child abuse images; video nasties and their effect on people—a subject that is being debated in the Criminal Justice and Immigration Bill currently before Parliament; and the Jane Longwith case. As with all such areas of technology, we need to get a grip on it before it has a grip on us and before we find that it has appalling and horrifying consequences for our society. Those consequences may be few and far between but, just as we talk about how MySpace and all those other technologies can be used indiscriminately to track children and provide information leading to someone's house being burgled, we need to get a grip on the technology before it creates such problems.

It is important that we consider a licensing regime and safeguards on the burgeoning industry, so that we can ensure that our children, in particular, are kept safe and that there are some safeguards and licensing, as I would like to see, on the industry in total. I am particularly concerned today about the safety of our children and ensuring that devices are properly used and regulated so that they meet the reasons for which people seek to buy them and are not put to uses that will bring harm and danger to our children. I hope that my hon. Friend the Minister will give me a positive response about taking forward the issue.

1.20 pm

**The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden):** I thank my hon. Friend the Member for Amber Valley (Judy Mallaber) for raising the issue and for the opportunity to debate child location-based services. She is absolutely right that child safety is a critical issue for the country, and she made a point of both general and specific relevance. I shall come to the specifics shortly, but the general question raised is, when technological advances can be used for good purposes or ill, how should the Government respond?

We may consider, for example, electricity, which is an essential good of modern life. We could not imagine modern life without it, yet a badly wired house can be a

*[Mr. Pat McFadden]*

danger to life. My hon. Friend mentioned the internet, which is certainly one of the most amazing inventions of my lifetime. It has opened up a vast, unimaginable array of information to people and enables families and friends to stay in touch, if they live in different countries, far more easily than before. Yet, as she said, through social networking sites and so on, which are mostly beneficial, it can also be used in a manner that could place people in danger or, as we have seen, to help promote political extremism. Each technological advance opens up new opportunities and horizons but can also pose new risks.

I turn to some of the specifics. My hon. Friend mentioned surveillance, which is a topic of considerable political interest. Is more surveillance good or not? Speaking from my own constituency experience, the demand from my constituents is often for more surveillance of their streets—more cameras, more of a presence of the state by way of the police force and more control over what happens on their streets. Yet some people, of course, have concerns about that.

Child location services, enabled by the kind of technologies that my hon. Friend mentioned, can offer an important comfort to parents who want to know where their children are, conscious, as parents are, that their children are growing up in a world of probably far greater opportunities than ever before, but also of risks that we did not have to worry about in the past. She rightly said that the issues she raised were of relevance not just to child safety, although that is her principal concern today, but in cases of domestic violence, for example. She is right that the victims of domestic violence quite rightly want to keep their locations secret from abusive former partners.

Perhaps it would be helpful if I set out the regulations that are in place, because the area is not unregulated. The technology is new and developing, and in setting out the position I am not saying that we could never go further. However, I hope that my hon. Friend will understand that I will not be promising her today more regulation in the field. At the moment, the Privacy and Electronic Communications (EU Directive) Regulations 2003 apply a number of privacy safeguards to services based on traffic and location data, including a requirement of informed consent from subscribers to, or users of, the services involved. For services involving children, consent must be given by a child's parents or guardian.

The code to which my hon. Friend referred calls for checks to confirm the identity of those applying. I could go into detail, but given the time perhaps it will suffice if I say that that involves the sending of e-mails, the supplying of PIN numbers, PIN numbers being returned and so on. Subscribers or users must be able at any time to withdraw their consent. That can be done temporarily in relation to each connection to the network, or on a permanent basis. The processing of personal data is regulated by the Data Protection Act 1998.

Enforcement lies with the Information Commissioner's Office, which to date has not needed to take enforcement action against any company operating a location-based service. It has rightly had considerable input into location-based services, out of a general concern about surveillance conducted through mobile phone technology. It works closely with the industry and with child safety experts on an ongoing basis.

As far as the Government are concerned, the legislation is supplemented by a self-regulatory framework developed by the Home Office in partnership with the industry. In 2004, the voluntary code of practice called the "Code of Practice for the use of passive location services in the UK" was developed by a working group comprising UK location service providers, five mobile phone network operators and children's charities.

**Judy Mallaber:** Does the Minister accept, first, that that code is voluntary, and secondly that it was developed with those using mobile phone technology, not new technology? As I understand it, there are no particular legal controls requiring someone selling a product, for example, to check up on who is being tracked and how.

**Mr. McFadden:** My hon. Friend is right that the code is voluntary and applies to mobile phone technology. I shall come to the issue of global positioning systems in a moment.

The code is subject to regular review so that it remains relevant to the needs of consumers and the industry and is compliant with applicable law. All location service providers using location data supplied by mobile network operators in the UK should, as a minimum, observe that code of practice. It states that child location services should not be marketed in any way that exploits parents' concern or fear that their children may become victims of crime, and that services should take account of the fact that someone knowing where their child's phone is does not necessarily tell them where their child is. It is taken seriously because of the implications for child safety.

My hon. Friend asked about GPS technology. It is a valid question, and we understand the concerns expressed that it might be possible to overcome some of the security and privacy protections laid down in legislation and in the code. The Home Office has set up a location-based services group consisting of the representatives whom I have mentioned. It was established to oversee and monitor the working of the code, and I am happy to tell her today that that group is examining developments in relation to GPS and the potential for misuse arising from it.

**Judy Mallaber:** Will the Minister undertake to meet me and people from the children's charities, or ask one of his colleagues to do so, to discuss the gaps that we see? Will he also undertake to ensure that, where child safety issues fall within the purview of his Department, rather than the Home Office, they are taken into account and that the appropriate charities are consulted before decisions are taken that simply relate to an industrial interest?

**Mr. McFadden:** I am certainly happy to say that I or my officials will meet my hon. Friend when we consider such issues. We are not convinced that a system of licensing is necessarily the way forward, but we have certainly heard what she has said and I am sure that my officials will take seriously the points that she has made today.

## General Practice (Northamptonshire)

1.29 pm

**Mr. Philip Hollobone** (Kettering) (Con): I am sure that you have had a busy and productive morning, Mr. Taylor, but I suggest that this debate will be the highlight of your entertaining morning. I thank Mr. Speaker for granting me permission to hold the debate, and I also thank general practitioners throughout Northamptonshire and all their staff for the wonderful job that they do for people in Kettering and across the county.

One of my reasons for seeking today's debate is that when we talk about the national health service, all too often we talk about hospitals and do not spend enough time talking about GPs. Yet most people's most frequent contact with the NHS is through their local family doctor. Having talked to GPs in Northamptonshire, I know that their impression is that they are an overlooked part of the NHS. When the Government talk about schools and hospitals, they should not forget that GPs provide an extremely important part of our NHS.

**The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis):** The hon. Gentleman has rightly said that we should value GPs, that they ought to have more priority and that there is too much emphasis on hospitals. How does he feel that ripping up GPs' contracts will enhance morale amongst GPs in his community?

**Mr. Hollobone:** I am not suggesting that GP contracts should be ripped up. If the Minister wants to expand on his question, I will be happy to tackle it.

**Mr. Lewis:** May I say gently to the hon. Gentleman that at his party's conference, the shadow Secretary of State for Health announced his intention to rip up GPs' contracts and start again. I assume that the hon. Gentleman is bound by the policy of those on his own Front Bench.

**Mr. Hollobone:** The purpose of today's debate is not, from my perspective, a party political one. I am a Back-Bench Member of Parliament, I speak my own mind on these issues and I am disappointed, to be blunt, with the Minister's tone in these opening exchanges. For me, the purpose of this debate is to draw his attention, as a Minister of the Crown, to the future of general practice in Northamptonshire. I suggest that whether I am a Conservative or Labour Member, many of the things that I shall say today are comments that any MP would want to put to him.

One of the biggest and most important issues affecting GPs in Northamptonshire is the fact that it is a designated growth area. The population of the county is due to increase by between one third and one half in the next 15 to 20 years. I should like the Minister to clarify how PCTs are funded in that respect. It is certainly the impression of local GPs that PCT funding is determined by the number of patients who are registered with GPs rather than the actual number of people resident in the area. One statistic that I have been given is that there are an estimated 20,000 unregistered patients in the county town of Northampton alone. Such people tend to make extensive and often inappropriate use of accident and emergency facilities at a cost to the PCT under the payment by results plan, which means that resources that could be provided to local GP practices are not being provided. The Government's own statistics, given in answer to one of my parliamentary written questions, told me that the average practice list size of a GP practice in Northamptonshire is 8,000 patients, which is 30 per cent. above the national average of 6,000. Even before the very rapid increase in population that the Government have planned for Northamptonshire, general practice list sizes in the county are already one third above the national average.

**Mr. Peter Bone** (Wellingborough) (Con): I congratulate my hon. Friend on securing what is an important debate for Northamptonshire. Is he aware that in many areas in my constituency it is almost impossible to get on to the list of a GP practice? I had a case in which an 80-year-old who came to the town could not get on to a list. She had to apply and was put on a list elsewhere in the town. That has occurred before the growth has taken place.

**Mr. Hollobone:** I know that my hon. Friend attaches great importance to health service issues as part of his "Listening to Wellingborough and Rushden" campaign, and I am delighted that he has taken this opportunity to highlight what is a real problem for many vulnerable people in Wellingborough and Kettering. Often, several members of the same family will find themselves being registered with different local GPs, which cannot be the best outcome.

An increasingly important issue in Kettering and Northamptonshire is the number of people arriving from eastern Europe and seeking GP services. That is causing problems for GPs with language—many such people are unable to speak proper English, especially when it comes to medical terms—and with gaining access to previous medical records. Every GP to whom I spoke in the summer recess said that they had new arrivals from eastern Europe on their books and that it is a genuine problem for them. Many GPs feel that it is inappropriate to include translation services, which are paid for by the PCT, in the enhanced services budget, because the PCT can then claim that it spends more than the indicative sum on enhanced services. That effectively deletes the money that is available for the development of medical GP services. Will the Minister be kind enough to look into that important issue?

GPs are also concerned about the recent NHS reorganisation in the county. The PCTs that existed two years ago have been merged into one PCT that covers the whole county. My hon. Friend the Member for Wellingborough (Mr. Bone) and I opposed that reorganisation, as I understand Labour Members in the county did, but the Government nevertheless went ahead with it. The problem is that part of the big overspend in the south of Northamptonshire has effectively been transferred to the north, where the overspend was not nearly as great, putting budgetary pressures that did not previously exist on GP practices in the north. As a result, GPs are prescribing cheaper drugs than they would otherwise prescribe because of the budgetary pressures from the PCT and the strategic health authority.

Another big concern that local GPs have brought to my attention is the state of children's mental health services in the county. One GP wrote to tell me:

*[Mr. Hollobone]*

"I think the most significant aspect of healthcare in the Shire is the poor service available in Mental Health and particularly Children's Mental Health. Only this week…we have a 13-year-old girl with…an Eating Disorder who has been dismissed as "depressed" by the Service and she is too young to access alternative services so her (not well-heeled parents) are referring her privately."

The letter goes on:

"If young people's mental health problems are not properly addressed, they are at best emotionally scarred for life and grow up to be emotional cripples, unable to sustain healthy relationships, and at worst end up in crime"

or on drugs. All the GPs to whom I spoke highlighted that as being an issue—patients requiring services that, all too often, simply are not available.

It has been brought to my attention that computerised cognitive behaviour therapy has been proposed by the National Institute for Health and Clinical Excellence as an effective tool for many patients. It was announced some six months ago that CCBT would be available. It is due to become available in Northamptonshire this month, but the responsible PCT team has only just been appointed. To add further insult, access to the therapy is being restricted to patients with severe depression, whereas NICE recommends it for mild depression and neuroses such as obsessive-compulsive behaviour. Again, there is a real concern that GPs are not able to access the services that they would want to access from the local mental health team.

GPs are also concerned that they are required to spend a growing amount of time on collecting and producing data under the quality and outcomes framework. They rightly say to me that, all too often, they spend far too much time on data processing instead of patient care, particularly as they have to deal with lists that are 30 per cent. above the national average.

Unfortunately, there are also problems with the choose and book scheme. One example that I can put before the Minister is from a local GP who referred a patient through choose and book for orthopaedics. The GP phoned the number, and someone took the details and said that the patient should phone the office where orthopaedic referrals were triaged. The GP phoned the number, but an answerphone said that staff were on holiday for two weeks and to phone another number. The GP phoned the other and was told that the office was not taking bookings like that but that it would wait for a GP letter and then write back. Two weeks later, a letter was received advising that the patient needed to see an orthopaedic consultant and to phone yet another number. The GP phoned the number six times, each time being cut off when the phone was answered. The GP finally got through and was told that the phone "is always doing that". Those are frustrating circumstances for hard-pressed GPs. They made a particular point of wanting me to highlight the fact that choose and book is not working as it should.

Now we come to the issue of GP contracts. In good faith, the Government negotiated contracts with GPs. Reference was made to out-of-hours services. NHS survey data published in July show that 85 per cent. of patients in Northamptonshire are satisfied with GP surgery opening hours. Only 7 per cent. of patients said that they would like GP surgeries to open at weekends. There may be demand for surgeries to open in the evenings and at weekends, but having asked my constituents and having spoken to GPs, I can detect no such surge of opinion in Kettering or Northamptonshire.

GPs rightly say that they would expect few people to take advantage of the service if they were to open for weekend surgeries. They also point out that although the Government may be pressing the issue because they are embarrassed that, in their view, they are paying GPs more than they should get, there would be extra costs outside the GPs' remuneration for paying for staff and building occupancy at weekends.

Local GPs provide an out-of-hours service through the Keydoc service. It is provided on a rota basis, and I can tell the Minister that it does a better job than NHS Direct, and at a far lower cost. In many cases, phone callers find themselves speaking with the Keydoc service because NHS Direct is unable to cope with the volume of calls that it gets. I am not saying that Keydoc is perfect. I have had complaints about it, but I have also had complaints about NHS Direct. I draw the Minister's attention to the concerns of a constituent who e-mailed me. He stated:

"I today had occasion to contact the NHS Direct service. I needed medical advice after swallowing an object…I tried to call for over 4 hours and constantly received an engaged tone. In the end I contacted my GP surgery who were able to reassure me. A quick straw poll of work associates shows this is typical and generally they call the out of hours GP service because NHS Direct is either busy or is so general in advice that it is not sufficient for purpose."

That unsolicited e-mail was from a constituent in Rothwell. Local GPs are concerned about the amount of money that the Government put into NHS Direct, particularly when they compare its cost-effectiveness with that of Keydoc.

Overall, the message from Northamptonshire is that GPs are extremely hard-working. In general, the system is working well, but GPs are beginning to feel unappreciated by the present Government, particularly in respect of the unnecessary pressure to extend opening times outside the weekday appointments system. There is growing concern about the amount of data that they have to collect, and they feel that the Government ought to reprioritise GP care rather than concentrate only on hospitals when they talk about the NHS.

I close by placing on the record three surgeries in the Kettering constituency that in a recent NHS survey achieved levels of satisfaction that were higher than the national average. The Guilsborough, Dryland and Mawsley surgeries are setting an extremely good example for local GP surgeries throughout Northamptonshire.

1.46 pm

**The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis):** It is always a pleasure to serve under your chairmanship, Mr. Taylor. I congratulate the hon. Member for Kettering (Mr. Hollobone) on securing this Adjournment debate. The intervention of the hon. Member for Wellingborough (Mr. Bone) was obviously important from his constituents' point of view. I have to say, as a Manchester City supporter, that he would be greeted in a positive way if he were to venture into Manchester these days, in view of his well-known likeness to a certain high-profile football manager.

Seriously, this is an important debate, and the hon. Member for Kettering raised some valid, legitimate issues on behalf of his constituents. I do not wish to be churlish, but the emphasis and focus of his speech were disingenuous. I shall explain why it is fair to say that.

First, the hon. Gentleman said to GPs in his community that he and his party are on their side and that the Government are doing things to the national health service that are getting in the way of their doing their job. That was his main message. He used anecdotes about individuals to prove a point. I always think that it is unfair to try to talk down the NHS by doing that, as 99 per cent. of anecdotes would demonstrate that people receive a wonderful service.

I suspect that the hon. Gentleman wrote his speech before the announcement at his party's conference about ripping up the contract that GPs and the Government recently signed. That is now the position of the Conservative party. It has gone down incredibly badly with GPs at a time when the Government's message is that, yes, we need to make significant changes to primary care, but that we intend to do that in partnership with the profession, building on the contract rather than simply ripping it up and starting all over again. The Conservative policy is putting his party into conflict with GPs who are working hard every day of the week to improve the NHS.

**Mr. Hollobone:** Will the Minister give way?

**Mr. Lewis:** I shall make some progress and then give way to the hon. Gentleman. Major progress has been made in Northamptonshire. All Northamptonshire patients are able to see a GP or a nurse for a routine appointment within 48 hours; Northamptonshire practices achieved an average of 960.1 quality points out of a possible 1,000 in the quality and outcomes framework, and 74 per cent. of the population aged 65 and above have been vaccinated for influenza. Across Northamptonshire, all practices have open lists and are accepting new patients—the hon. Gentleman disputes that—and several practices employ highly skilled nurse practitioners who provide a range of services from the management of long-term conditions to diagnosis and treatment of minor ailments.

The performance of the health service in the hon. Gentleman's constituency has advanced massively in the past 10 years. He will not like my saying this, but a significant reason for that is the near tripling of investment in the NHS that the Government chose to make. The NHS had been starved of resources in the previous 20 years, which meant that the baseline of NHS funding was a scandal when compared with other countries around the world.

The hon. Gentleman is right about growth. The Northamptonshire PCT received growth area adjustment in its 2006-08 revenue allocation to take account of the demographic issues that he properly raised.

**Mr. Bone:** Will the Minister give way?

**Mr. Lewis:** I will give way in a moment. I shall provide some recent information, which is not made up, about what is happening in the hon. Gentleman's health economy area. Six large extensions opened in 2007—three in Northampton, two in Corby and one in Daventry—and a new surgery has opened in Higham Ferrers in east Northamptonshire. Two large new medical centres will open within the next nine months in Rothwell and Kettering, and an extension is due for completion in December in Northampton. There are plans to develop health facilities in Kettering, Thrapston, Raunds, Corby and Northampton, and the south midlands LIFT project will see the development of new facilities in Corby, Wellingborough and Northampton.

A new approach to service delivery will involve a series of health hubs providing a wide range of services along the lines of polyclinics. Willowbrook community hospital polyclinic in Corby will have investment of £27 million, and the integrated care centre polyclinic in west Northampton will have investment of £21 million.

My point is that there is now massive, unprecedented and sustained investment in primary care in the constituencies of the hon. Members for Kettering and for Wellingborough. That recognises that patient expectations, technology and science means that health care must be incredibly different if we are to make best use of the new technology and new drugs being created almost daily, and if we are to respond to patient expectations.

**Mr. Bone:** I understand the Minister's case, but unfortunately it falls flat when it comes to Northamptonshire PCT because under the national capitation formula, which the Government set up to decide how many millions of pounds each PCT receives, Northamptonshire has received less than 100 per cent. in each and every year since that formula was implemented. Over the past few years, that has equated to £110 million. If the Government implemented their own programme, we would not have a problem, but they do not do so in Northamptonshire.

**Mr. Lewis:** I shall deal with that accusation head-on. In 2006-07, the allocation to the PCT increased to £730 million—a cash increase of 12.7 per cent. In 2007-08, it received £870 million, which is a further cash increase of 12 per cent. That is a cash increase of 26.3 per cent. over the two years 2006-07 and 2007-08, compared with a national average of 19.5 per cent. The funding formula and the funding system recognise that the hon. Gentlemen's constituencies have particular issues and challenges that must be addressed.

**Mr. Bone:** Will the Minister give way?

**Mr. Lewis:** No. It is exceptionally disingenuous for hon. Members who represent a political party that slashed NHS spending in every part of the country to come here and undermine the massive additional, above-average investment in their communities. We should remember that during the past seven or eight years, that party has repeatedly opposed the additional investment that the Government have chosen to put into the national health service.

It is important that we do not mix up the debate about out-of-hours and emergency services provided by GPs with extended hours in terms of evening and weekend opening. Under the previous system, GPs often worked until midnight or 1, 2 or 3 o'clock in the morning, and then went back to their practices at 8 am

*[Mr. Ivan Lewis]*

to see patients. That was an unreasonable set of expectations and did not necessarily lead to the best possible, safe patient care. Under the new contracts, GPs were given the option of saying that they no longer wanted to provide emergency or out-of-hours cover, and the PCTs were given responsibility for securing that out-of-hours cover.

The argument about extended hours is that because of labour market realities, choice and preference, many patients would like to be able to see their GPs in the evenings or at weekends. That would be more convenient for patients and a more personalised service. That is the next stage in the NHS transformation that the Prime Minister, Lord Darzi and the Secretary of State have spoken about. Having fixed the NHS and rebuilt its foundations, we must now move to a highly personalised service. I find it astonishing that any Member would stand up here and say that patients are not entitled to that and do not want that. Surely we should create an NHS that continues to be increasingly responsive as society changes. Let us not mix up emergency out-of-hours cover with extended hours and more convenience for patients.

**Mr. Hollobone:** This is the 10th debate on local issues that I have managed to secure, with the permission of Mr. Speaker, in the past two years, and this is the most inappropriate party political response that I have had from any Minister. This Chamber should be a genuine forum for Back-Bench Members to raise genuine constituency cases. I was not making any political points whatever. Will the Minister confirm that NHS spending in Northamptonshire is based on registered patients at GP practices, and not on the population? On extra opening times for GP surgeries, I was simply quoting to the Minister his Department's survey data, which show that 85 per cent. of patients in Northamptonshire are satisfied with the current opening hours of GP surgeries.

**Mr. Lewis:** The tone of the hon. Gentleman's presentation was to talk down the NHS and its performance, and to use anecdotes to say that the Government's desire to respond to patient preference and choice is misguided. He did not refer to the fact that at his party's conference, the shadow Secretary of State waged war on the GP profession by saying that the Tory party's position is to rip up GPs' contracts.

The hon. Gentleman rightly referred to access to children's mental health services. The Government have begun to rebuild child and adolescent mental health services—CAMHS—and have put a lot more money into them, but there is a long way to go because, as you are aware, Mr. Taylor, such services were practically non-existent in many parts of the country back in 1997-98. We have two trailblazers and another 11 are starting now. Access to talking therapies through primary care in every community is something that I am proud of, and later today there will be further announcements about health spend over the next three or four years. It is important that, in future, there will be greater emphasis on investing in talking therapies, which can make a massive difference to people's quality of life and mental health. There was no access to talking therapies in this country when we came into government, and people waited months and years for an operation. By next year, people will wait a maximum of 18 weeks.

The hon. Gentleman's community should respond positively to the Darzi interim review proposals. There will be more than 100 new GP practices, including up to 900 GPs, nurses and health care assistants in the 25 per cent. of PCTs with the poorest provision. It may well be that the hon. Gentleman's constituency could benefit from that. New resources will enable PCTs to develop some 150 GP-run health centres, with up to 1,750 GPs and nurses situated in easily accessible locations and offering a range of services to all members of their local population. As a result of last week's interim review announcement by Lord Darzi and the Secretary of State, the hon. Gentleman may be able to secure even more resources for primary care for his constituents.

The hon. Gentleman raised valid and legitimate issues, but it is important that we do not allow people to suggest that the health service has not advanced massively. In our vision for transformation, personalisation is the next stage, and the Government will match that with continued and sustained record levels of investment.

*Question put and agreed to.*

*Adjourned accordingly at Two o'clock.*

# Westminster Hall

*Wednesday 10 October 2007*

[DR. WILLIAM MCCREA *in the Chair*]

## Economic Regeneration (Blackpool)

*Motion made, and Question proposed,* That the sitting be now adjourned.—*[Mr. Watts.]*

9.30 am

**Mr. Gordon Marsden** (Blackpool, South) (Lab): It is a great pleasure to be here and to speak under your chairmanship, Dr. McCrea, and I look forward to the debate.

I always think that I am extremely fortunate to be one of the Members of Parliament for Blackpool and one of the four Members of Parliament for the Fylde coast. Blackpool has been at the centre of this country's tourism and popular culture for the best part of a century and a half. Wherever in the country I go to meetings or meet people, virtually everybody has heard of Blackpool and virtually everybody has an opinion about it—those opinions may vary, but they are intense.

Seldom, however, has Blackpool been more in the news than in the past year. Our present regeneration predicament and our future hopes—like those of seaside and coastal towns in general—have taken centre stage in a national debate about regeneration. The casino advisory panel's controversial recommendation in January that east Manchester should be the site for the super-casino sparked an extraordinary chain reaction and campaign of support. That was true not only in Blackpool and across the north-west, with an 11,000-signature petition being handed in on the steps of No. 10, but in both Houses of Parliament. That culminated in the House of Lords' rejection of the panel's recommendation at the end of March, and the momentum of debate and argument on the subject has scarcely slackened since.

There was a major Select Committee report on seaside and coastal towns in the spring calling for new Government initiatives, which was followed by a Westminster Hall debate. There were the Prime Minister's remarks at Prime Minister's questions in the summer, which spurred the major review of regeneration needs that is now under way at the Department for Communities and Local Government. There is also the report by the Blackpool taskforce, which involves all the local and regional agencies and which was set up as a result of the then Secretary of State's concession in the heated Commons debate on the issues raised by the casino order that was published last month. In September, we also had the survey report on gambling issues in the United Kingdom over the past 10 years. In addition, we will shortly have a major English Heritage conference on regenerating seaside towns. Finally, of course, we are having this hour-and-a-half debate.

My comments today are made on the basis not only of my 10 years' experience as a Blackpool MP and my nearly 18 years' involvement with the town, its issues and arguments, but of my role as the honorary president of the British Resorts and Destinations Association and the chairman of a Back-Bench group of Labour seaside MPs. Over the past 10 years, I have seen that the economic regeneration problems that Blackpool faces are unique and great. Blackpool's contribution to tourism and leisure in this country has been great, but our problems, difficulties and opportunities echo what other seaside and coastal towns need. Coming from such a town himself, the Minister will well understand that, and I am delighted to see other Members from other seaside and coastal towns here today.

Let me emphasise straight away that there is no churlishness in my introducing this debate. I recognise that there has been significant central and regional government support for Blackpool's regeneration over the past seven years and I am grateful for that. It is worth briefly reminding people of what that support has included. Some £15 million went into work on phase 1 of Blackpool's central corridor, and those who come to the town today will see a regenerated and imaginative central corridor, with its famous climbing towers. We have had seafront reconstruction, with £68 million—a major sum—from the Department for Environment, Food and Rural Affairs now being spent on renewing the sea wall and offering other opportunities. We have received significant funding of £10.8 million under the local enterprise growth initiative. There has been money for the new urban regeneration company, which will receive £7 million gross in year 1 and £17 million in year 2, and, of course, there are moneys under the single regeneration budget programme. I might also add, although this is not strictly Government funding, that we have received welcome funding from the Heritage Lottery Fund to regenerate Stanley park, which is one of Blackpool's major assets, although it has been underused and underexploited in recent years. Finally, the Government announced only last week that they would completely renew and support the development of the lighting programme across Blackpool, which involves £30 million to £31 million.

As I say, I am therefore not at all curmudgeonly about what has been done—indeed, I very much welcome it—but the problem in Blackpool is daunting in scale, systemic and has developed over three decades, if not longer, as Professor Fothergill and others have documented. One could spend an enormous amount of time talking about the process that has brought us to the difficulties that we have today, but I just want to pick out one or two fairly obvious points.

First, there is the systematic decay of Blackpool's late 19th and early 20th-century infrastructure. I am talking not only about the infrastructure of significant public buildings or areas such as the Winter gardens or the piers, but about promenade and street features, for which it is difficult to obtain lottery grants and which often do not fall within a particular remit. Later, I will talk a little about the trams, and I know that my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble) will want to say more about them. For the best part of 50 years, however, no money whatever was put into the infrastructure for Blackpool's trams.

Of course, other, more powerful forces have driven Blackpool's decline and problems. Perhaps the major one, which has affected other seaside and coastal towns, has been the loss of the solid one or two-week holiday market. The change in holiday patterns is well understood. I have used this analogy before, and I hope that I am not wearying those hon. Members who have heard it before, but Dean Acheson once said that Britain after Suez had

*[Mr. Gordon Marsden]*

lost an empire but not yet found a role. Blackpool and many other seaside towns have obviously lost the empire of solid one or two-week holidays, and it will not come back, at least not in the same format. At the same time, although it is not a question of such towns' not yet having found roles—indeed, they are all energetically looking for them—the challenge in terms of Government funding and support is great.

One thing that is not often understood is the impact of skewed demography on Blackpool's services for residents and visitors. Like many seaside and coastal towns, we have higher-than-average numbers of younger and older people, and that puts a particular strain on what the town can spend on those people. The influx of 10 million to 11 million visitors a year also puts an enormous strain on services. Incidentally, the Government do not yet recognise the need for additional formula funding, and that is certainly true of health spending. Such pressure on local authority funding reduces the amount that local authorities, including those outside Blackpool, can spend on renewing infrastructure and promoting tourism.

**Chris Ruane** (Vale of Clwyd) (Lab): I thank my hon. Friend for giving way, and pay tribute to his work in securing the debate, and for his work with the Labour group of seaside MPs. Is he arguing for ring-fenced funding from central Government, similar to what was made available to steel and coal communities, and rural and inner city communities?

**Mr. Marsden:** I thank my hon. Friend for that intervention. I pay tribute to him, also, for his work in highlighting the similar problems of Welsh seaside towns. The situation is different from what he referred to, in the sense that the coalfield and steel areas were affected by the fairly immediate and dramatic loss of a mono-industry. However, there are similarities. I know that the Government have thus far found it difficult to find an appropriate ring-fenced formula, but there are merits in considering some elements of what was done in relation to the coalfields taskforce. I certainly think that the Minister's Department needs to look more positively at the issue of an overall regeneration taskforce than its response to the relevant Select Committee report suggested.

The final point that I want to make about funding—I do not want to be too technical—is that seaside towns such as Blackpool suffer from the so-called pepper-pot principle of deprivation. We have severe deprivation in certain areas of Blackpool, but it is in pockets. One of the problems with Government and European funding and grants is that, historically, because of the practice of averaging out across a borough or larger area, we have not attracted the sort of funding that we need in that respect. That is an important issue.

The scale of the challenge is identified by Blackpool council in its response of 5 September about the taskforce to the Minister's Department. The executive director of regeneration, Jackie Potter, said that, unlike other areas, which are often struggling with single industrial market failures, Blackpool's case is more complex as it is the compound effect of coastal resort decline and socio-economic and housing market failures. She went on to say that the action plan was therefore designed to tackle these failures and drive regenerations on multiple fronts, based on an understanding that investment solely in developing the economy would not deliver the change required, and that a programme of housing renewal in isolation would not address the underlying causes of market failure. Likewise, she said that it would be crucial to reshape the town's image to attract a more dynamic population and labour force. She went on to say that that means renewal of the town as a resort, with conferences, attractions, accommodation and infrastructure, regeneration of the town centre as a strong sub-regional centre—that involves retail, education and commerce—and intervention in the housing market.

As I have already said, a problem in the past has been that figures have not picked up the deprivation. However, one or two snapshot figures will remind the Minister and colleagues of the scale of the problem. Official figures describe 29,000 of Blackpool's residents—a fifth of the population, and obviously a larger proportion in relation to the working population—as income deprived. Three of Blackpool's assessment zones, which are smaller sub-ward zones, for elderly people's living standards, are within the most deprived 3 per cent. nationally; 29 of the 94 sub-ward areas in Blackpool, amounting to almost a third of the whole, are within the 10 per cent. of most deprived areas nationally. Blackpool is rated by the Minister's Department as the 24th most deprived English local authority out of 358. My final statistic is that all 94 of Blackpool's sub-ward classes are within the most deprived 40 per cent. for ill health and premature deaths nationally.

The challenge of sustaining and building a community is also affected by transience. I do not have much time to talk about transience today. It is a major issue in other seaside and coastal towns. I shall give one example. In schools in two or three of my wards in the centre of Blackpool, the turnover on the school roll can be between 30 and 40 per cent. a year. That is the result of internal transience—people moving around within the town—as well as people coming from outside. One might say, "Well, that is very bad, but how does it affect economic activity and regeneration?" It affects them substantially because it builds up pressure on schools and teachers, and historically it has tended to lead to low skill levels, lower than average achievement and low levels of economic activity. Whatever we do in Blackpool, we need to get the balance right between civic renewal and the needs of the visitor economy and local economy.

There have been major steps in the past 10 years—I pay tribute to the previous Labour administration of Blackpool for this—by way of a new sports centre, a new business enterprise centre, and the building up of local institutions, such as area forums and police and community together meetings. Blackpool has won a series of awards, culminating three or four years ago in an award from the Minister's predecessor Department, the Office of the Deputy Prime Minister, for the top sustainable community in the country, Grange Park.

**Mr. Michael Jack** (Fylde) (Con): I am grateful to the hon. Gentleman, my near neighbour, for giving way, and I apologise for the fact that owing to Select Committee duties I shall not, sadly, be able to stay to the end of the debate. Does he agree that, given the scope and scale of the problems that he has so

eloquently outlined this morning, and the impact that Blackpool has on the whole Fylde coast economy, it will require the concerted effort not just of Blackpool council but of the councils of Wyre and Fylde, working together, to try to reach a genuinely lasting solution?

**Mr. Marsden:** The right hon. Gentleman is right and, in a spirit of cross-party consensus, I pay tribute to the support that he and his colleague, the hon. Member for Lancaster and Wyre (Mr. Wallace), have given me and my hon. Friend the Member for Blackpool, North and Fleetwood on this issue. Of course, what affects Blackpool affects the whole of the Fylde coast. The good news, as the right hon. Gentleman has suggested, is that co-operation is developing between the councils in the area.

What I have described is the reason why, since 2000, debate in Blackpool on how to become a strong, viable, sustainable economy has been a central issue, from the first suggestions of a casino development that were put forward by Marc Etches, the former managing director of Leisure Parcs—to whom I pay tribute for his sustained interest in the regeneration process—to the ideas coming forward for future use of the three piers and the Winter gardens and, finally, the major master plan that was produced in 2003, designed to address so many of the issues, which was instrumental in the setting up of ReBlackpool, the urban regeneration company. That has the distinguished international planner Sir Peter Hall as its chair, and an energetic chief executive in Doug Garrett.

We realised from the beginning that infrastructure investment alone was only a means to an end, and that is where the casinos came in. There was a need for an economic motor. Whatever people's views are on casinos and where we now go with that issue, the means-to-an-end argument must be clearly understood. The renewal of Blackpool involves, at its heart, the search for a new force—the development of an adequate and sustainable economic generator that will not just initiate but also maintain a virtuous circle of investment, profit, skills and jobs. Without it, even the most visionary schemes of design and planning cannot deliver the full and final renewal that 21st century Blackpool needs.

Blackpool has had a glorious past because its energetic and innovative inhabitants understood better than almost anyone else the business of mass leisure, but we can have a glorious future only if the new forms of leisure and attraction have a viable business sense behind them. That, and no other reason, is why my hon. Friend the Member for Blackpool, North and Fleetwood and I, the members of Blackpool council—nearly all the town's councillors of all political parties—and most of the major business organisations in the town, supported the idea of casino-led regeneration; it was the only big enough project in the past six years to be potentially on the table with guaranteed bids from multi-million pound enterprises, and the resources to make it happen. However, that does not rule out, nor has it ever ruled out, the options of alternatives or additions to the project, as long as those pass muster in the down-to-earth and pragmatic arena in which Blackpool's entrepreneurs have always had to contend.

That is why the casino advisory panel's comments and recommendations were wrong in January, and why its report was shredded by the House of Lords Merits of Statutory Instruments Committee. Outside observers, including Rachel Cooke and James Collard, who wrote excellent articles in *The Observer* and *The Times* respectively last August, have understood that if there were to be such a regenerative force, Blackpool would be the place for it. That is why the people of Blackpool were not prepared to take the decision lying down and why we received such a strength of support in the Lords and in the House. Again, I wish to pay tribute to Lord McNally of Blackpool, who led so ably our views and who has been a tireless representative of the town in the Lords and elsewhere.

I do not expect the Minister to go beyond what the Government have already said on the issue, or to offer a review on the issue of the casino regeneration, but he needs to understand the passion and determination that united all but one council member and the vast majority of people in Blackpool, and which brought 11,000 signatures to Downing street. Those signatures were of people not only from Blackpool, but around the north-west. A recent poll in the Blackpool *Gazette*, which has been tireless in arguing the case for regeneration, showed that the majority still believe that casino-led regeneration might have an important part to play. The Government have a job to convince us that there are alternatives.

The Government have responded to the controversy. The previous Secretary of State for Culture, Media and Sport set up a taskforce an 25 March. The Prime Minister understands our problems, as do others. He gave a personal commitment to finding a solution as recently as the press conference on Monday. The regeneration review set up on 11 July as a response is in the Department for Communities and Local Government. The taskforce to which I referred presented a series of options to the Minister at the beginning of August—I am sure that he will mention that in his speech.

The Minister needs to understand that there is frustration and anxiety resulting from the fact that progress on the matter has been slow. It is now six months since the super-casino debate and three months since the Prime Minister's announcement. The council has received detailed written requests from and has provided information and background to the Department for Communities and Local Government, but no meeting with officials or the Secretary of State has been fixed. My hon. Friend the Member for Blackpool, North and Fleetwood and I wrote to the Secretary of State in August. The message to the Minister from the people of Blackpool and the broader north-west area is that we urgently need some movement on the issue.

I shall give one example of why that is so. The best part of three years ago, we submitted a bid for the major renewal of the tramway—I am sure that my hon. Friend will say more on that issue. We have jumped through various hoops and we have had some funding for the tramway's basic renewal, but we have not had a decision from the Department for Transport. Council officials now say that the delays have affected their ability to complete the project on budget and on time. If a decision is not made by that Department soon, the funding schedule might slide, and the project might not be completed until 2012. I appreciate that that is not within the Minister's or his Department's direct competence, but it indicates the need for it to liaise with other Departments to look at what can be done.

*[Mr. Marsden]*

The taskforce submitted a broad range of proposals. It said at the beginning, and rightly so, that the existing plans would not on their own be enough to provide comprehensive regeneration. In fact, it produced a range of alternative plans and suggestions, including investment in higher education and the housing market, which could go a significant way to addressing some of the regeneration issues. However, at the heart of the matter is the need to give top priority to increasing visitor numbers and to the regeneration of the tourism economy. Blackpool could diversify but, like other seaside towns, its peripherality of 180° means that it will always have greater challenges. A Communities and Local Government Committee report—I pay tribute to that Committee's Chairman, my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey)—made many of those points and they were debated in the House in May.

The Government need a greater sense of co-ordination on such matters. I am not in favour of setting up meetings with civil servants for the sake of it, but I shall repeat what I said in this Chamber four months ago: without some form of co-ordination between Departments—it is currently led by the Department for Communities and Local Government—and without a sense that people are getting out of their silos, we will not make the progress that we need to make.

Some things have been done. I pay tribute to the Minister of State, Department for Culture, Media and Sport, my right hon. Friend the Member for Barking (Margaret Hodge), who in her previous ministerial post brought together groups of civil servants from the various Departments concerned, but we need a more sustained mechanism, not only for Blackpool, but for other seaside towns.

Blackpool's regeneration must involve making it an attractive town for people to live in as well as for visitors. It includes getting the townscape right and valuing its heritage. I put forward a number of ideas on how we could do that in a speech to the civic trust in August. I am repeating what I have said on various occasions when I say that an imaginative Government approach to lowering VAT on repair and restoration, and an imaginative package of incentives for businesses to free up space above their premises for low-cost, low-rent accommodation, would make a big impact. Those things are in the air and, as I mentioned, next week an English Heritage coastal towns conference will look at the options open to towns such as Blackpool and at the issues of sustainable heritage, community and economy, which are linked.

At the end of the day, we come back to the question of the economic motor. We need to have one to sustain the virtuous circle. In practical terms, we in Blackpool are in little doubt about what we need. We need a new conference centre, an upgraded tramway system and better direct transport links, an upgraded skills base, and significant retail and new enterprise investment. They are all urgent priorities. We might be able to build a conference centre, but we will not be able to sustain it without income and investment. The question of how and from where we get those things takes us back to the reason why there was such passion and interest in the idea of a super-casino.

**Mr. Jack:** Does the hon. Gentleman agree that there is still more than a glimmer of hope and that Blackpool can remain attractive? The pleasure beach attracts some 7 million people a year, which should give hope to any other enterprise that wants to be a part of Blackpool's regeneration plans that there are still a reasonable number of people around to participate.

**Mr. Marsden:** The right hon. Gentleman is absolutely right and has given me the cue for what I was about to say. People in Blackpool are not sitting back passively and do not simply expect sums of money or master plans to descend from Government. We have imaginative ideas for retail outlets, restaurants and entertainments, and we have submitted an imaginative bid to a lottery fund with the aim of building the people's playground along the seafront, but we need some form of incentive to bring in outside investment. That is why the Government need to take seriously the idea of Blackpool having some sort of special status as an investment zone.

We are not passively sitting back. For the past seven years, my hon. Friend the Member for Blackpool, North and Fleetwood and I, the other Fylde MPs and many others have been at the heart of the debate and plans. I am proud of the passion, enthusiasm and dogged insistence of the people of Blackpool. Those things are reflected in the work of ReBlackpool, the regeneration company, the hoteliers and the StayBlackpool organisation, and of the pleasure beach, which has an amazing family history featuring 100 years of investment and innovation in the town. An active civic trust promotes heritage trails and conservation, and the heads of sixth forms and of the Blackpool and the Fylde college are fully aware of the crucial role that further and higher education expansion can play in Blackpool.

We have the support of the Northwest Development Agency. We have a commitment to raising quality among the hoteliers—the No. 1 guest house in Blackpool was recently named the top bed and breakfast in the country. We have a bid in for the theatre museum from the Victoria and Albert museum to come to Blackpool, with exciting ideas to put it in the Winter gardens. There is the people's playground project. We are not just waiting for the lottery decision; we are going ahead with the St. Chad's headland. Those who know of them may be interested to know that we recently had a highly successful one-off free concert by the Kaiser Chiefs, and what is still the greatest light show on earth—the illuminations—will be packing people in as a result of a combination of the activities of Dr. Who and Laurence Llewelyn-Bowen.

Blackpool has always had to renew itself. It had to renew itself in the early 20th century to meet changing tourism and other patterns. It did so then through a combination of enlightened public funding, local government funding and private entrepreneurship. That model is still relevant for the 21st century. Blackpool is not looking for a handout from Government or a succession of subsidies, but we are looking for a leg up. We are not looking just for warm words; we are looking for proper liaison, proper co-ordination, a proper response to the taskforce report and a sense of urgency at the heart of Government about how that needs to be addressed. I look to my hon. Friend the Minister and his Department to be at the centre of that argument and to begin to provide some of the solutions.

**Several hon. Members** *rose—*

**Dr. William McCrea (in the Chair):** Order it may be helpful if I say to hon. Members that I am minded to commence the winding-up speeches no later than 10.30 am.

10.1 am

**Geraldine Smith** (Morecambe and Lunesdale) (Lab): I welcome the opportunity to make a brief contribution to this important debate and, indeed, to congratulate my hon. Friend the Member for Blackpool, South (Mr. Marsden) on securing it. May I also take the opportunity to say how hard he and my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble) have worked on behalf of the residents of Blackpool? It has been a pleasure to work with them over the past 10 years on the Labour seaside group, which lobbies for Government funding for coastal resorts. I hope that we can work together for many more years.

As a near-neighbour of the Blackpool constituencies—I am just a bit further up the coast—I am well aware of the problems that Blackpool faces. Morecambe, like Blackpool, suffered greatly in the 1980s owing to British people taking foreign holidays rather than holidaying in our seaside towns as they had previously done. Guest houses fell out of holiday use and became surplus to requirements. The run-down properties were often purchased by absentee landlords who looked for tenants wherever they could find them. Probation services, social services and mental health agencies saw opportunities to house their clients cheaply, especially with council housing being sold off at that time and in short supply.

**Chris Ruane:** My hon. Friend has hit on a key point for seaside regeneration, which is housing. Our Government, the Labour Government, have introduced a national licensing scheme, which has cut down on the ability of slum landlords to make money out of misery. What does my hon. Friend think the impact would have been if such a scheme had been introduced 20 years ago? Would it have halted the decline of slum properties in seaside towns?

**Geraldine Smith:** Of course such a scheme would have made a huge difference, but there was a lack of interest and investment in coastal towns throughout that period and pockets of deprivation developed that could match anything in our inner cities. Towns such as Blackpool and Morecambe did not wish to advertise their problems too widely, as they were, and still are, in the business of attracting tourists.

Although it is true that the tourism market has changed, with many British people taking their main holiday abroad, there is still huge scope for growth in the short break market and in relation to second holidays. However, to attract tourists, infrastructure needs to be improved greatly. We can see at a glance the difference that a Labour Government have made to our inner cities—I am thinking of cities such as Manchester and Liverpool—with fantastic regeneration projects going ahead, costing tens of millions of pounds in some cases. It is time for the Government to make the same commitment to coastal towns regarding regeneration.

Although I fully accept that people living in seaside towns, in common with the rest of the country, have benefited from the investment in health, education, extra policing, a stable economy and so on that a Labour Government have provided, much nevertheless remains to be done in our resorts, not least to tackle the enormous amount of sub-standard housing that still exists.

My own local council, along with English Partnerships, is well aware of the problems and is examining ways of dealing with them. I ask my hon. Friend the Minister whether he could in the near future visit Morecambe—

**Chris Ruane:** And Rhyl.

**Geraldine Smith:** And Rhyl, to see some of the important work that is taking place and some of the things that we have already done to turn run-down former guest houses in a state of dereliction into fantastic homes for families in a shared-ownership scheme, which fits so well with Government policies.

I place on the record my thanks to Stephen Matthews, the project director for urban renewal on Lancaster city council, and to Paul Spooner of English Partnerships for their hard work, vision and commitment to addressing these very difficult issues.

If I may, I would like to refer to a letter that I have received from Stephen Matthews that sums up the problems that exist not only in Morecambe but in our resorts generally and on a very large scale in Blackpool. He informs me that

"English Partnerships have made a submission to the Central Programme Review Group at the Treasury in respect of their proposed investment in Chatsworth Gardens in Morecambe's West End.

As you know, the West End suffers from a complex range of socio-economic issues including extreme unemployment, low incomes and the highest crime levels in the District of Lancaster. The Chatsworth Gardens site area falls within the 0.5 per cent. most deprived Super Output Areas...across England. It is clear that there is a relationship between the socio-economic decline and the housing stock that is typical of the legacy commonly left in declining coastal resorts. The site contains 3-5 storey former bed and breakfast guesthouses which are now used as poor quality privately rented Houses in Multiple Occupation...These currently generate substantial returns for landlords in the West End with 'high yields'. At the same time they are fuelling social, economic and environmental deprivation and decline and continuing the negative image that currently exists of Morecambe.

The project involves removing around 70 poor quality and inappropriate properties, providing 172 residential units and redeveloping with an innovative new build scheme of 101 purpose-built high quality homes including family housing. All of the new housing will be for private sale not renting. The project will reduce HMO's and private renting and will bring about a completely different type of housing choice for owner occupiers that would not be delivered without public intervention. In simple terms the project is about taking out inappropriate housing supply that is driving decline and putting back new modern quality homes that will help to stabilise the local community and encourage further private sector investment.

Because of the significant cost of site assembly due mainly to the need to acquire private and often high yield properties, there is a significant cost-value gap on the entire project. This makes the scheme look expensive when considered in purely unit cost terms. The Council and"—

**Dr. William McCrea (in the Chair):** Order. May I gently remind the hon. Lady that the debate is directly on the economic regeneration of Blackpool and that although there are wider issues and certainly there is

*[Dr. William McCrea]*

reference to Blackpool, other hon. Members also want to speak? Therefore, I just gently ask the hon. Lady to remember the time.

**Geraldine Smith:** I was making the point that the same problems exist in Blackpool and in other seaside resorts with the poor housing stock, but of course I will take advice and move on.

Referring back to the scheme that I mentioned, I sincerely hope that it is allocated the necessary funding and is rolled out both in other parts of my constituency and in other resorts such as Blackpool.

Finally, to end on a high, I am pleased to congratulate one of my constituents, Mr. Ian Hughes, who has produced a national-award-winning design for a 21st-century pier. His concept is called the Beachcomber. It is a marina development with numerous attractions and facilities for locals and visitors. The award will be presented at the British Urban Regeneration Association conference in Blackpool on 31 October. I wish him every success with that exciting and innovative project, and I wish my colleagues in Blackpool every success in their quest to bring about the regeneration of what is still Britain's premier seaside resort.

10.10 am

**Mrs. Joan Humble** (Blackpool, North and Fleetwood) (Lab): I say to my hon. Friend the Member for Morecambe and Lunesdale (Geraldine Smith) that I remember spending holidays in Morecambe as a child. I understand her concerns and welcome her support for Blackpool in this debate.

I congratulate my hon. Friend and neighbour the Member for Blackpool, South (Mr. Marsden) on securing this debate, which is important. He and I have spoken in the House on many occasions on behalf of our town. The regeneration of Blackpool is vital to those of us who live there, as well as to our visitors, and it sends a signal to seaside resorts throughout the country. Although it is about Blackpool, this debate has wider ramifications.

I live in Blackpool. I love living in Blackpool. It is an exciting place—that is why people come to visit and to live there. My hon. Friend and I must maintain a delicate balance between recognising that the town has problems and saying that it is also a smashing place with lots of really nice parts. He and I represent residential suburbia—1920s and 1930s houses. Many people either choose not to work in Blackpool or cannot find jobs there—they travel down to Preston and Manchester, and all over the place—but come back to Blackpool to live by the sea. It is lovely. A couple of weeks ago, I was on North pier watching the final of the international fireworks competition. It was brilliant. Walking back home along the promenade with the illuminations shining amid hundreds of people was a marvellous experience for me, as I live in the town, and equally so for the many visitors.

A lot of exciting developments have taken place in Blackpool recently, most of them funded by central Government and most—in fact, I think all of them—in my hon. Friend's constituency. Can I put in a plea for my constituency as a postscript to this debate? However, the developments in the town centre and in Blackpool, South benefit my constituency as well—for instance, the Government's investment in our sea defences and the promenade. South beach is beautiful now. The central promenade is being developed, and exciting proposals have been made for a people's playground. The central gateway for people driving into the town from the motorway opens up Blackpool and makes it much more pleasant for them, and the Hounds Hill shopping centre is being redeveloped.

For me, one of the most exciting proposals is the Talbot gateway development, which will reconfigure the railway and bus stations. The first thing seen by anybody arriving in Blackpool by train is—I shall not mince words—the horrible old bus station. It is not a welcoming sight. It is proposed to knock it all down and open up the view from a new transport interchange, so that people getting off the train will see the tower and what Blackpool has to offer. They will have a new vision. My question to the Minister is: when will it happen? I know that the council has signed contracts with the developers and the Government have given it the resources to purchase the land in order to facilitate the development, but I am getting impatient. I want to see it happen tomorrow, the day after or some time soon, please.

All those developments are part of the master plan developed by the previous Labour-controlled authority, but supported by all political parties on Blackpool council. The key to the master plan's development was casino-led regeneration. I endorse everything that my hon. Friend said about it. The casino was the driver for regeneration—a £400 million project using private-sector money that would have included a new conference centre, hotels, entertainments, shops and restaurants. It would have been a whole new experience to bring new visitors into Blackpool. They would have spent money, and that money and the casino company's profits would have helped in turn to make the conference centre sustainable. I challenge anybody to name a conference centre that supports itself. They are all subsidised, either by local authorities or by private-sector organisations. We need a new conference centre in Blackpool. Much as I love the Winter gardens—the Emperor's ballroom is a marvellous setting in which to stand and speak from the platform—we need a modern, up-to-date conference centre to attract the conferences that used to come to Blackpool. I shall discuss that at the end of my contribution.

Without the engine to drive our regeneration, even though the Government are investing huge amounts in our infrastructure, we do not have private-sector new product to attract people into the town. We must remember that Blackpool's regeneration affects the whole Fylde coast, a point made by the right hon. Member for Fylde (Mr. Jack). If Blackpool gets it right, that will help his constituency, the Wyre district, the whole Fylde coast area and well into Lancashire.

Not only does Blackpool's regeneration help neighbouring districts; it depends on them, for one reason if no other—the availability of land for further development is constrained in Blackpool. We must work with our neighbouring authorities to identify land that can be used to provide employment, and continue our regeneration. I am pleased that the three Fylde coast authorities are working together. They are moving toward a strategic policy alignment and are developing a multi-area agreement, which is exactly what we need.

Blackpool's regeneration is not just for visitors, to give them new entertainment; it is also for residents. It is a chicken-and-egg situation. Many of my constituents have money to spend, but do not spend it in Blackpool town centre. They do not go shopping in town centre shops. If they did, it would help regenerate the town centre. We must regenerate the town centre to ensure that people who live in Blackpool feel confident going there, as well as to provide a better visit for tourists.

I re-emphasise the point made by my hon. Friend. A lot of people in Blackpool are investing in their businesses. The pleasure beach has been mentioned, and people continue to enjoy visiting the tower, the piers, the zoo, the model village, our seafront and the Grand theatre. I attended an excellent production of "South Pacific" there. It is a beautiful setting. We must consider how we can make the town centre more attractive as part of the regeneration package. My hon. Friend mentioned the detailed report produced by the taskforce, which is to be congratulated on coming up with a Blackpool solution to the complex Blackpool problem. I look forward to the Government's detailed response.

One of the key elements of the taskforce report is that if we are to diversify and regenerate, we have to do something about the skills base in the town and about employment land. Some interesting suggestions were made in the report about supply-side interventions to improve the skills base and employment. However, there are also problems with transport, and in the limited time that I have left I shall concentrate on those. I also want to say one or two things about the challenges facing the town.

Despite all the developments of which I have spoken, and the fact that the Fylde coast economy contributes £3.9 billion to the gross value added of the central Lancashire city region, the GVA and employment declined between 1990 and 2005. More than a quarter of our working population are economically inactive.

I believe that the Government should look again at the report of the Select Committee on the Department for Communities and Local Government, which highlighted the fact that a disproportionate number of people are on sickness or incapacity benefits in our seaside towns. The Government's response was to dismiss the report, but they should not. We have a pathways to work pilot scheme to help new claimants, but there are many existing and former claimants.

**Chris Ruane:** I thank my hon. Friend for giving way. On that specific point, is she aware that there is a city strategy pilot specifically aimed at seaside towns? It is one of 15 city strategies across the UK, and it is aimed at Rhyl. It is about getting people back to work.

**Mrs. Humble:** I was in the Chamber when my hon. Friend made that point earlier this week. I thought then that Blackpool wants one of those.

The Select Committee report mentioned seasonal labour. The Government's response was dismissive, yet when the lights are turned out in November, about 950 people will be going to the jobcentre. It is like a major business closing down; tourism is an industry. What we need from regeneration is a 52-weeks-a-year economy. We do not have that now, even though many people try desperately hard to ensure that hotels stay open for as long as possible. There are real issues about how to encourage our businesses, but that will have to wait for another day because I want to refer briefly to transport.

It is essential that we get the money for the tram. The tram transports not only visitors, but people to work. My constituents in Fleetwood get on the tram to travel to work in the hotels along the promenade. The tramway serves some very deprived wards in Fleetwood and in Blackpool. It has been calculated that if the tramway was to close—God forbid—we would need 45 more buses every hour to transport the 3.4 million passengers who use it. One can imagine the gridlock on the promenade!

Investment in the tramway is key, but so is investment in the A585, the trunk road from the M55 to Fleetwood that skirts Blackpool. We need investment in the A585 to open up more land for economic development as part of Blackpool's regeneration. Again, I pay tribute to the right hon. Member for Fylde. He and I have worked closely together on that issue. The road starts in his constituency and ends in mine, and runs alongside Blackpool technology park. If we want more development there, we have to ensure that traffic can move on that road. At the moment, the traffic gets stuck, and we do not want that.

I quickly move on to the casino. It is a key point. What other organisations are queuing up to spend £400 million in the centre of Blackpool to bring in new visitors? I am waiting to hear. We want a new product for our visitors. If we had one that generated the income to support a conference centre, I would welcome it. However, the majority of people in Blackpool still think that the casino is the only product that will give us that.

I want Blackpool to have a new casino so that I can welcome colleagues from all political parties to an up-to-date, new conference centre that will give them the facilities that they need. That will bring back all the other conference trade and give us a 52-weeks-a-year economy. It will ensure that our visitors enjoy their stay, that our residents have jobs, and that they can enjoy the town centre and shop there. Blackpool could then satisfy their needs and the needs of our visitors.

**Dr. William McCrea (in the Chair):** As I said, I will be commencing the wind-ups at 10.30 am, but I want first to give the hon. Member for Vale of Clwyd (Chris Ruane) the opportunity to speak.

10.26 am

**Chris Ruane** (Vale of Clwyd) (Lab): I hope, Dr. McCrea, that you will allow me some leeway in describing the successes in my constituency and my home town and how they could benefit Blackpool. I shall drop Blackpool's name into my speech as often as I can.

I shall concentrate on two key issues that were mentioned by many of those who have spoken—the need for a focus, especially in seaside towns, on joined-up governance. It was a key Labour catchphrase in 1997, but it has drifted a little. We need that focus back, especially in seaside towns. I mentioned earlier in an intervention the importance of housing in the regeneration of seaside towns. Many residents have poor health, so health provision is important; and education and skills are key to raising the skill levels so that the people in those towns can get good jobs in their local communities.

*[Chris Ruane]*

The Department for Work and Pensions has city strategies aimed at getting people on long-term sickness or incapacity benefit back into work. Another key issue is that of policing. People will not come to the town if they feel that it is not safe for them and their families. My plea to the Minister is for joined-up governance for Blackpool, Morecambe and Lunesdale, and Rhyl and Prestatyn in my constituency.

The other need is for ring-fenced funding for seaside towns. I tabled a parliamentary question between seven and eight years ago asking how much the Government had given them. They have been very generous to rural communities in times of crisis and with general subsidies—tens of billions of pounds—and tens of billions have been given also to the coal communities that have suffered with the pit closure programme of the previous Governments. Steel communities—I refer especially to Shotton in north Wales—suffered the biggest layoffs in British industrial history, with 8,000 workers sacked in one day. Such communities have received billions of pounds, as have inner-city areas.

The problems in our seaside communities are just as great, and we need that level of funding to be targeted in our direction. In my area, in Rhyl and Prestatyn, we have managed to get objective 1 money—the highest level of European funding—and that has primed local projects. It makes a difference. It can tilt the balance towards investment in marginal cases. If money was ring-fenced for Blackpool, we could market the town and development sites and attract developers. Focus and ring-fenced funding are the key.

Much has been said today about physical investment in transport, casinos and regeneration. We should also consider the people who live in those communities. In Rhyl, six or seven years ago, I set up an employment group, like my hon. Friend the Member for Blackpool, South (Mr. Marsden), whose constituency had 29,000 people unemployed or low-paid or suffering poverty. I looked at the figures for my constituency and in most of the 32 wards in Denbighshire unemployment had virtually disappeared. Some 50 per cent. of unemployment in the county of Denbighshire was in two wards: Rhyl west and Rhyl south west, which is where I grew up. We need to crack that concentration of poverty and the Department for Work and Pensions' city strategy pilot projects will provide some of the answers. If the Minister is co-ordinating that project will he take a careful look at the city strategy in Rhyl? I formally invite him to visit my constituency as although many of the functions of regeneration in my constituency are devolved, such as health, housing and education, issues dealt with by the DWP and policing are not.

10.30 am

**Andrew Stunell** (Hazel Grove) (LD): It is a privilege to serve under your chairmanship, Dr. McCrea.

This has been an extremely interesting debate and I congratulate the hon. Member for Blackpool, South (Mr. Marsden) on painting such a clear picture of the difficulties that he believes Blackpool faces. I also congratulate his colleagues on giving him excellent support. I shall pick out a couple of things he said that struck a chord with me. He mentioned pepper-pot poverty and the fact that small pockets of deprivation are often surrounded by areas of comparative prosperity, which means that a broad-brush statistical approach by the Government does not give him aid or comfort. That is probably a familiar issue to many hon. Members with constituencies across the country and it is certainly familiar to those with constituencies in the north-west. I hope that the Minister will go a step further than anyone else on the Government Front Bench and acknowledge the problems created by such an approach, particularly in Blackpool, but also elsewhere.

I was also struck by the hon. Gentleman saying that Blackpool does not see itself as a victim and that it has always done its best to look after itself. We should congratulate the council and civil authorities in Blackpool on their work, as well as those MPs who have ensured that that is the case. The hon. Gentleman asked for some specific information from the Government and I hope that the Minister will respond to that. I noted that he referred to the impact of a 17.5 per cent. VAT rate on renovations. In a town such as Blackpool it is central to regeneration that existing buildings are brought back into profitable and full use. A situation in which it is cheaper to pull a building down and build a new one at a zero rate of VAT rather than renovate an existing one and pay a 17.5 per cent. rate of VAT is clearly an anomaly that needs to be addressed, not just in Blackpool but elsewhere.

The hon. Gentleman was honest in saying that Blackpool is a place that everyone has heard of and about which everyone has an opinion, not all of which are entirely positive. Blackpool has a proud history, has been the premier resort of the north of England for a long time, and has worked hard to extend its appeal. The hon. Gentleman mentioned the Blackpool illuminations and of course there are also other aspects. Blackpool is fighting hard to maintain its role in the north as a tourist centre, but it needs help. It is a victim of changing lifestyles. If it is cheaper to fly to Florida than catch a train to Blackpool, it is understandable that many people should go to Florida and not to Blackpool, whatever its comparative charms may be. I made my first visit to Blackpool in 1968 when it was pouring with rain and I could not see the top of the tower because of the mist. Again, if it is a choice between a train to Blackpool or a flight to Florida, one can see why people sometimes make a choice adverse to Blackpool.

On a serious note, any visitor to Blackpool recognises that there is a desperate need to upgrade things such as transport links, leisure amenities, and conference facilities. I have attended conferences for three different organisations in Blackpool and I underline the point made by Labour Members that there is a need to tackle deficiencies in conference facilities. Accommodation for visitors no doubt needs to be upgraded but, as the hon. Member for Morecambe and Lunesdale (Geraldine Smith) said, accommodation for those living in Blackpool also needs to be improved. The shortage of social housing and the poor quality of private rental accommodation has been mentioned and the Government have been asked questions about that by those hon. Members who have spoken so far, to which I hope the Minister will respond. The comprehensive spending review was empty on what will happen and what funding will be provided by the Government in relation to those matters, so I should like the Minister to comment on that.

Obviously, we could not have a debate about Blackpool without referring to the casino and I do not want to rehearse that issue again. However, for perhaps almost a decade Blackpool put its hopes for funding regeneration almost exclusively in the casino basket, which has turned out to be a bit of a gamble. Whatever the merits of having a mega-casino in Blackpool, it is fairly clear that it will not happen. The casino advisory panel noted that such a casino

"would be useful to manage decline, but not to reverse decline".

It is true that there would be economic benefits of £400 million, but there are pros and cons related to that. The social impact would be ambiguous, which is no doubt why the Prime Minister said

"I've said I feel there are better ways of regenerating those areas and that's what we're looking at at the moment"

That is why I do not want to concentrate my remarks on asking to have the casino back, but on asking what the Government will do to honour what the Prime Minister believes is the way forward for Blackpool. The Minister now has an opportunity to give an update on the action that will be proposed. It is clear that we can expect something special in the Minister's reply and I want to give him plenty of scope for that. The Prime Minister also said:

"the Secretary of State for Local Government is co-ordinating the work about what we can actually do... to help...which I accept has specific challenges it has to meet in the near future"

I want to hear exactly how the Minister's Department and the Secretary of State are responding to the challenge of the situation and the challenge given to his Department by the Prime Minister.

There is plenty of advice about what the Government might do. Indeed, the hon. Member for Blackpool, South and others have described some of the things that could and should be done to regenerate Blackpool. I received a briefing, as I am sure have other hon. Members, from the Noble organisation, which is a major player in the Blackpool leisure economy. It describes itself as being one of the UK's leading leisure businesses with interests in Blackpool and it has welcomed the switch in thinking away from a new mega-casino to investment funded through a new conference centre. I do not regard myself as an expert on economic regeneration—particularly not in Blackpool—but when a major investor and player in Blackpool offers such advice, it should be listened to. Noble has told me that it

"Welcomes the Government's plans to support further regeneration in Blackpool, support which, in our opinion, would be best focussed on new conference facilities."

As I said, those of us who have experienced existing conference facilities would certainly support that.

What will the Secretary of State do to honour the Prime Minister's pledge to Blackpool that there is active planned help for regeneration? Where is the report on the options that are being considered by the Government? In addition, as has been mentioned, can we be assured that there will be a joined-up interdepartmental Government response that links up the investment needed in transport with investment from the Department for Communities and Local Government via the local authority and that the key issues of planning and housing investment will also be linked?

Does the Minister agree that an urgent priority has to be to get a new conference complex built to the highest international standards? Does he accept the argument put by many hon. Members and many commentators that investment should be made not only in the economy and infrastructure but in the housing market to tackle the underlying issues of deprivation? The town has spent perhaps seven or eight years getting further and further into what has turned out to be the cul-de-sac of relying on the casino for regeneration, so what assurance can he give that solid, practical help with regeneration will come from the Government? When will it be forthcoming and when can we expect to hear some solid announcements of fact to settle Blackpool's difficult situation?

10.40 am

**Alistair Burt** (North-East Bedfordshire) (Con): It is a pleasure to see you, Dr. McCrea. We go back a long way, and it is very nice to be under your chairmanship this morning. Like all colleagues present, I welcome the debate and thank the hon. Member for Blackpool, South (Mr. Marsden) for securing it and for the way in which he presented his case; it was informative and he was very straightforward about Blackpool and its pluses and minuses. I am sure that much of what he had to say would be common ground between us all. However, we now know the way to get things done by the Government. If I were to stand here and give a commitment to £2 billion of investment in a new conference centre, within a week it would be Government policy. Tempted though I am—

**Mr. Marsden:** Please, go ahead.

**Alistair Burt:** Encouraged though I am to go down that road, the heart attack that it would give my hon. Friend the shadow Chancellor would not be similarly welcomed, so I shall not do so.

Contributions from other colleagues have been similarly informative and generous. The hon. Member for Morecambe and Lunesdale (Geraldine Smith) spoke. I visited the Midland hotel recently and saw the work that is being done there, and that will be an exciting new destination in her constituency. The hon. Member for Blackpool, North and Fleetwood (Mrs. Humble) described well the attractions of the constituency and of her end of it. I agree with the hon. Member for Vale of Clwyd (Chris Ruane) that when we talk about regeneration we should concentrate not solely on the physical, but on the human, too. He was right to pick up on that point, which was also made by the hon. Member for Hazel Grove (Andrew Stunell).

We all have an affection for Blackpool, produced either by years of experience as politicians or by childhood memories. I was born and brought up in Bury, and visits to Blackpool were occasional but much enjoyed. My parents might have preferred Southport and Lytham, but I loved Blackpool and it has always been good to go there. We all feel keenly and in a particularly special way about Blackpool being such a great and important resort. We all feel very keenly its irrelative decline and want to do something about it.

Since the turn of the millennium, that decline has been quite sharp. There has been a sharp fall in visitor numbers—Blackpool Pleasure Beach Ltd. calculates it at perhaps 7 per cent. a year—accompanied by similar declines in the length of stay and visitor spend. There

*[Alistair Burt]*

have also been problems about the spread of houses in multiple occupation and the difficulties relating to young people, drugs and violence and the stags and hens element of an evening economy. Such problems have always been a part of Blackpool, but they are perhaps overemphasised now. There is a general tiredness about the place and it needs revitalisation.

The problems are twofold. First, they are those of a coastal town, and secondly, they are those of Blackpool in particular. I echo many of the comments on coastal towns that the Minister has heard this morning. The Select Committee's good report on the subject received a disappointing response. Some attempt to move towards a cross-departmental group would be good. The Government were rather light in not recognising the particular problems of employment and benefit issues in coastal towns, and I think that the disinclination to undertake any specific research into the common problems of coastal towns resulted in a missed opportunity. In response to what he has heard today, perhaps the Minister will be able to take that point back to his colleagues and we might see some progress.

**Sir John Butterfill** (Bournemouth, West) (Con): Does my hon. Friend agree that one of the problems is that the way in which the revenue support grant is structured is not always very helpful to us? For example, there have been cases regarding transport in which additional moneys are conditional on the provision of bus lanes, even in places where they are not wanted. The biggest thing that affects all the coastal towns, including my constituency of Bournemouth, has been the abolition of the grant for day visitors, which used to be part of the revenue support. The removal of that has been acutely damaging to Blackpool, Bournemouth and all the other major resorts.

**Alistair Burt:** My hon. Friend's point is well made, and it is exactly the sort of thing that was picked up by the coastal towns report, which could well be usefully considered by a cross-departmental group that considered those specific problems. I hope that the Minister will be able to take that back as something constructive from this constructive debate.

A number of agencies are working on Blackpool's specific issues and concerns. I congratulate the British Urban Regeneration Association—BURA—on its work. It has its own seaside towns network. I met its members recently, and they are very up on those concerns. I have also recently spoken to David Cam of Blackpool Pleasure Beach, to Doug Garrett, the chief executive of ReBlackpool, and to Peter Callow, the new Conservative leader of the council after the party's stunning success in the May local elections, perhaps on the back of the disappointment of the casino decision.

Interestingly enough, the resilience of the town and the area was shown in the response to the casino decision. The Government have been quite generously treated by colleagues on the other side who might have been really cross. It is not the Minister's fault, but there is real concern about the decision and the incomprehensible parallel decision that the casino should go to Manchester. However, that is water under the bridge for now and we must ask what can be done in response. The issue is about what will provide the catalyst for regeneration.

I spoke to Peter Callow, the leader of the borough council, which feels that three particular pledges that emerged from the aftermath of the decision, relating to a conference centre, the revitalisation of the tramways and perhaps support for a museum—the Victoria and Albert museum is thinking about doing something in the area—might be concrete responses to the disappointment that is felt. The borough council's determination to clean up Blackpool and to make it a destination not only for tourists, but for those who work there and want a good quality of life—the point made by the hon. Member for Blackpool, North and Fleetwood—will be important. I welcome and congratulate the borough council on its drive to do that.

What sort of things will make a difference? I talked to David Cam of Blackpool Pleasure Beach, recognising the importance of the beach to the economy of the area, and he made the point that revitalising the promenade is not sufficient in itself. Sea defences schemes have been promulgated down the coast—I went to have a look at what is happening in Cleveleys; it is really good, and I know that it is extending down the coast. However, on its own the promenade is not enough. David Cam made the point that the regeneration of New Brighton, which was envisaged many years ago, did up the prom very well but its hinterland could not be regenerated because there was not the catalyst to bring people in, and its sad decline as a resort was never reversed.

Perhaps it would be interesting to consider having a regeneration zone set aside for economic development in the Blackpool area as part of the response to the taskforce. That could involve the investors who lined up behind the casino scheme, who were there to do something in Blackpool and who recognise that the Government's role is to clear the pitch and to provide basic investment. Such a process should then allow the private sector, using its own judgment and skills, to come in and ensure that there is a sustainable economic case for development so that it does not continually rely on Government assistance—something that Blackpool would not wish and would not need to do. A combination of ensuring the best possible opportunity to place a convention and conference centre, revitalisation of the tramways and a specific regeneration zone enabling some of the other clearance work that needs to be done in Blackpool might be a useful way to proceed.

We are interested in the possibility of regeneration zones, although I shall not say too much about that in case it, too, appears in the Government programme at some stage. We want more powers to be returned from regional bodies to local authorities, so that those authorities can begin to have more of a whip hand in such decisions instead of relying on regional bodies, and Government relationships with regional bodies, in order to make decisions.

Our tourism taskforce will report later in the year. It is interested in what has been happening in Blackpool and other coastal towns and will make specific proposals at that time. In general, however, I think that the affection for Blackpool felt throughout the House and across political parties is real. That affection is based not just on sentiment, but on the good quality of life and the tremendous skills that it has. Everybody wants to see it revitalised, in which the Government and private sector can play a part. I hope that enough has been said this morning, and in various reports since the casino decision,

to give the Government a sense that they could do something to make up for the mistake that they made some months ago.

10.50 am

**The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright):** May I say, Dr. McCrea, what a pleasure it is to serve under your chairmanship for the first time? I congratulate my hon. Friend the Member for Blackpool, South (Mr. Marsden) on securing the debate, and other hon. Members who have contributed.

I commend my hon. Friend's efforts, and those of other hon. Friends, in promoting the regeneration of the area and especially their commitment to improving the conditions, prospects and quality of life for their constituents, and for visitors to Blackpool. Over the past 12 months, Blackpool has been in the news for a variety of reasons, particularly the casino. That was due in part, I think, to the high quality of parliamentary representation that hon. Members here today provide to the people of Blackpool, Morecambe and Fleetwood.

T he Government recognise that Blackpool has faced deep-seated and long-term deprivation, with severe social and economic challenges over many decades. In many ways Blackpool's problems with poor health, drugs, alcohol, poor housing, low educational attainment and high crime rates mirror those of many inner-city areas. As has been said throughout this debate, however, Blackpool, as a coastal town, faces other significant problems. Many coastal towns have suffered a gradual decline over the last 50 years with a transient population, falling tourist numbers and the closure of hotels and guest houses.

Blackpool is having to address a long-term cycle of neglect and underinvestment in the resort. But it is not all doom and gloom. I have taken real pleasure from the manner in which hon. Members, and particularly my hon. Friends, have handled this debate. It would have been very easy to feel bitter and resentful, and to say that everything is going down the toilet. However, as we have heard, Blackpool is a great place and has improved a lot over the last decade. There is the ambition to improve further still.

As in my own area of Hartlepool, some people like to slag off the area in which they live. In the era of globalisation, in which investors can go anywhere in the world they like, the first things that they will look at are press cuttings and how people talk about the area in which they live. If people are constantly running down an area, I do not think that others will choose to invest there. However, the dignified, resilient and ambitious manner in which my hon. Friends have promoted Blackpool—recognising the challenges, but showing what a great place it is to live in—is true testimony to the calibre of hon. Members here today.

There is an increasing recognition of the importance of Blackpool at local, regional and national levels. Local partners are rising to the challenge and there are encouraging signs of progress. Investment in local schools and health services has resulted in improvements in school performance and improved health and life expectancy for Blackpool residents. The quality of the local environment is improving with cleaner and safer streets and public spaces. There is a solid base, therefore, on which to build the economic regeneration of Blackpool.

Before I go into greater detail about Blackpool I shall touch on another matter. Hon. Members have mentioned the broader issue of coastal towns. As a Member who represents a coastal town, I would like to comment on that for a moment. The Communities and Local Government Committee report on coastal towns was incredibly useful and informative. However, I think that we have heard today that Blackpool suffers from unique problems, and I would be very reluctant to have a one-size-fits-all approach to coastal towns. My coastal town difficulties will be different from those of Blackpool. I have been to Bournemouth and Brighton recently. They are very different as well. That one-size-fits-all approach is not appropriate.

**Mrs. Humble:** The Select Committee report did not ask for a one-size-fits-all approach, but recognised the complexity of coastal towns. It clearly said that coastal towns that are also historic seaside resorts have particular and shared problems. Will the Minister look at those former seaside towns and their problems, and liaise with colleagues? This is not a matter just for him. Other Departments need to work together and look at the specific issues in those towns.

**Mr. Wright:** My hon. Friend makes a very strong point and I agree with a lot of what she said. The Government are reconsidering their response to the Select Committee's report on coastal towns, in the light of representations made to the Secretary of State for Communities and Local Government by the Chairman of the Select Committee, my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey).

My hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble) is absolutely right to say that a cross-departmental approach is the right one to take. My Department is currently working with the Department for Business, Enterprise and Regulatory Reform, the Department for Work and Pensions, the Department for Environment, Food and Rural Affairs, the Department for Culture, Media and Sport and the regional development agencies. We are working with them on cross-cutting policy issues affecting coastal towns in order to see whether current co-ordination arrangements at national and regional levels can be improved. As I have pointed out, as a Member representing a coastal town, I am very keen for those cross-cutting initiatives to take place.

My Department is also developing a regeneration framework as part of the follow-up to the sub-national review of economic development and regeneration in order to identify the kinds of places where regeneration activity might best be focused. I think that it is entirely plausible that those could include coastal towns.

In an Adjournment debate before the recess on the Select Committee's report, my hon. Friend the Member for Blackpool, South suggested that officials could meet a few times a year to discuss an agenda put to them by bodies such as the British Urban Regeneration Association, in which I know that he has an interest, and the British Resorts and Destinations Association on coastal town regeneration and renewal. I think that there is value in that suggestion and that that level of engagement could be important. We are currently seeking the views of other Departments on that matter.

An awful lot of points have been covered in the debate, and I pledge to write to hon. Members who have participated if I do not get everything across that I

*[Mr. Iain Wright]*

would like to. I shall turn to the Blackpool taskforce. Following the decision not to grant Blackpool a regional casino licence, the Government committed £1 million to the Blackpool taskforce, which was set up in March this year to look at long-term regeneration plans for the town. Representatives from Blackpool council, the Northwest Development Agency, English Partnerships, the Government office for the north-west, the urban regeneration company, ReBlackpool, and Business Link Northwest, as part of the regional development agency, have developed an action plan for Blackpool which was presented to the Government in August of this year. In preparing for this debate, I was incredibly impressed by the proposals in the action plan. I really enjoyed reading it and would like it implemented as much as possible.

The action plan complements the north-west regional economic strategy and the regional spatial strategy, and proposes a vision for Blackpool to be developed around three themes: revitalising business and enterprise, transforming access, infrastructure and the environment, and creating sustainable communities. Officials from across Departments with an interest in the programme put forward by Blackpool have had some extremely useful discussions with the urban regeneration company and with the council to follow up the report. We are now actively considering our response and my right hon. Friend the Secretary of State for Communities and Local Government has said that she will meet the taskforce for a further discussion, which we hope will take place shortly. And as my hon. Friend the Member for Blackpool, South said, my right hon. Friend the Prime Minister has played a key role. He has taken a personal interest and wishes to be closely involved.

The taskforce report encapsulates a way forward that covers both activity under way and new projects that could contribute to changing and broadening the economic base of the town and to addressing some of the most deprived areas within it. We recognise that this programme, which covers many of the issues that I had hoped to touch on—I do not think that time will allow me—depends for its success on a co-ordinated effort across a range of local and regional partners and within government; I stress that there has been very active discussion on the taskforce report across all relevant Departments. The response from the council and the urban regeneration company has been extremely helpful in demonstrating the connections between different elements of the taskforce programme.

The projects are being looked at in the round so that, for example, the relationship between improvements to further and higher education in the area, the renewal of the town centre and housing—a major interest of mine—is addressed properly. My Department is ensuring that all the taskforce recommendations are considered and we are looking at the sensitivity of timing on some decisions, including the tramway, which has been mentioned today.

However, it has been made very clear today that there has been some frustration with the level of progress and the pace of change. Given the importance of ensuring a co-ordinated response, I shall go back to my Department and others and stress the importance of ensuring that progress is made and continues to be made. That is a major priority for my Department and for other Departments, and it has the personal endorsement of the Prime Minister, which I do not think will be ending. I give my pledge on that.

## Local Government

11 am

**Mr. Graham Allen** (Nottingham, North) (Lab): Before I say a few words about this democratic issue, perhaps I could dedicate the debate to one of the finest parliamentary democrats, John Garrett, who sadly passed away just a couple of weeks ago. He was an inspiration to many of us in the House, and I hope that this debate conforms to that long tradition.

The Prime Minister devoted his first White Paper to the governance of Britain, and he devoted his first speech to the House as Prime Minister to the topic of the new democratic settlement. He also promised the

"devolution of powers and responsibilities to local government and accountability of our local police and health services to their communities."

I know that the Minister—keen to ensure that the Prime Minister's wishes come to fruition—will take those words very seriously.

On the other side of the argument, Simon Milton, who runs the Local Government Association, has called for a "constitutional convention", which I presume would grow out of the proposed concordat between local and national Government. What is certain is that any local power worth the name must be the right and property of local government, not of the centre. Local power that is loaned by central Government—by edict or even by parliamentary statute—is a sham, because it can be taken away just as quickly as it can be offered. Only Britain has such a dysfunctional political system that does not recognise local autonomy. Other western democracies take for granted independent local government that is backed by constitutional guarantee and genuine financial autonomy. Professor Michael Genovese, one of the foremost scholars of presidential politics, said recently, quoting Jefferson:

"Only on the basis of little republics will people be able and be trained to effectively participate in a mature democracy."

Those words are as true today as when they were first coined.

As a result of genuine local democracy, people will benefit from activity and involvement locally, making a serious difference to the quality of life in our local communities. Given the reduction of local government over recent decades to little more than an agent of central Government, this proposal would amount to the largest denationalisation ever undertaken and the restoration to the public of their ownership of their own local government.

The centralisers in British politics have had their day. Whatever success they may or may not have had nationally over the past 40 years, they have delivered neither economic nor social progress locally. I speak not only as an MP but as the chair of a local strategic partnership. We see short-term finance, interference, distortion of local priorities, people spending much of their time bidding or working to protect their jobs, and a plethora of schemes and bodies to circumvent local democratic decision making, which is barely understood by anybody but a new cadre of local professionals.

Successive Governments have occasionally served dainty hors d'oeuvres of localism, but the main course has always been the same—a stodgy, lumpy stew of targets, orders and inspections that have been force-fed to local councils by central Governments of all political complexions. I hope that the concordat will offer us not more amuse-bouches but a completely new menu for local democracy.

Almost every business and every other democratic nation has concluded that the economic complexities in modern society are way beyond the capacities of a command economy. They not only speak the language of decentralisation, devolution, local budget holding, participation, and teamworking, but deliver its promises. The European charter of local self-government was signed by our Government, but its spirit still needs to be given form. Only the United Kingdom, and England in particular, stays stuck in a command-style politics that died with Leonid Brezhnev elsewhere in the world. That style is at its starkest and most wasteful in the central control of local government. It robs communities and individuals of the ability and ambition to run their own lives, and it has atrophied political parties of all colours. We know that that has happened throughout the United Kingdom, whatever else we pretend,

Free local democracy will provide more diversity and independence in our political system, in turn leading to more creativity, sensitivity and innovation throughout our society and economy. The mere removal of some of the worst excesses of centralism, such as ending the capping of local spending, democratising quangos, releasing capital receipts and adding a drizzle of "localist" jargon, has not been enough. We must put local independence beyond the reach of central Government, and admit that the gentleman in Whitehall—even if it is a Labour gentleman and a very good friend of mine—does not know best. Petty interference from the centre must be denied any legal or financial basis, and local government must be given unchallengeable legitimacy. That must be done in two ways.

Ambition must be at the heart of the concordat that the Government are to negotiate with local government. It should be able to slot easily into its rightful place in a written constitution, when that day comes, and the vision must be powered by the Prime Minister above all. Local government must be a part of the vision that he has outlined for a new democracy. It must be driven by local government leadership, which needs to get off its knees and argue for two fundamental principles of its own freedom.

First, to guarantee local authorities' independence, they must be created in law as independent and sovereign entities. They would then be able to undertake, as of right, all the duties and functions for which they are elected locally. That power should be further guaranteed by a legally enforceable definition of subsidiarity in the European constitution. I shall not veer into the debate about the constitution, but it would be nice to have one, and, if we had one, to define subsidiarity so that it could defend British local government in the same way that it seeks to defend it in the other European Union nation states.

In that new settlement, local authorities would be able to do anything not prohibited by law, turning on its head the present injunction that prohibits them from doing anything unless it is expressly allowed by law. Like all public bodies, local government would have to perform its duties within a legitimate national inspection regime, and without infringing the human rights that

*[Mr. Graham Allen]*

would be found in a modern and comprehensive British Bill of Rights—another part of Britain's governance jigsaw that we hope will be proposed in legislative form in the not-too-distant future. Local government could therefore be held to account by any citizen for any arbitrary breach of those rights.

The pull of centralism, however, is so great that even a Government who had created independent local government, as I hope our newly refreshed Government will, might succumb to the temptation to meddle unless such local rights were put constitutionally out of bounds. That could be achieved initially by an amendment to the Parliament Act 1911 that would allow the second Chamber to veto legislation that threatened the agreed rights of local government. In the longer term, such a fundamental bedrock of our democracy needs to be guaranteed by clauses in a written constitution for the United Kingdom. The 10th amendment of the American constitution provides a very helpful starting point.

**Andrew George** (St. Ives) (LD): I entirely endorse the hon. Gentleman's analysis, but until we obtain the changes that he proposes, we must describe what the Government call "local government" as it really is. It is the agent of central Government, given that it has very little latitude whatever.

**Mr. Allen:** Rather than be critical of any Government, I would seek all-party support for where we go from here. If there is to be constitutional change, it will need cross-party agreement if it is to stick and not be unpicked by parliamentary statute. I know that the hon. Gentleman supports the essence of what I have been saying.

I turn to what must be the second fundamental principle. Central to the concordat is that, while we may return ownership of local government to local people, we must also restore control to them. Political independence for councils would mean nothing without financial independence. The bulk of local authority spending—more than half—is now provided by central Government and only a fraction, one eighth, is raised locally by the council tax. That dependency must end. Central Government must be removed from the financial equation and localism given monetary teeth. To do so, a radical new settlement on taxation needs to be implemented.

At present, income tax is first collected from local taxpayers by Her Majesty's Revenue and Customs and then distributed back to localities via central Government. That essentially technical function of distribution has become politicised and arbitrary because of decades of governmental manipulation and the desire to impose central priorities and targets. In future, the same level of income tax revenue should still be collected by the Revenue, leaving the taxpayer and tax rates completely unaffected financially. However, the precise amount that currently goes to local government should be ring-fenced and go directly to it, not via the centre.

Central Government spending on local services in England and Wales is £54.6 billion and the income tax take is £109 billion, so in effect about 50 per cent. of the income tax take would become local, with 50 per cent. going to the Chancellor, as it does now. That redistribution could take place via the Local Government Association or an independent commission, legally separate and dislocated from Whitehall. Yes, what we did for the Bank of England we must do for local government. Such a body would receive local government's slice of income tax directly from HMRC, and be charged with distributing it to councils and equalising it on exactly the same basis as the Department responsible for local government currently does.

There is no reason why most of such a commission's members should not be elected councillors from all parties. Local government's national bodies have shown themselves to be mature and confident in working cross-party and co-operating among themselves, and there is no reason why they could not perform the task. The amounts of income tax going to national and local expenditure would then be clearly identified on payslips as national income tax and local income tax, which would be a massive aid to accountability and to individuals in knowing the reality of what they pay for local services. It would be seen clearly and visibly, and therefore aid accountability.

**Mr. David Chaytor** (Bury, North) (Lab): I agree wholeheartedly with the argument that my hon. Friend is putting forward. On finance, is he saying that there should be no role for central Government in determining the distribution formula for different local authorities? That seems to me to be one of the essential political judgments that should remain the responsibility of central Government. I accept completely his argument about the need for greater financial autonomy at a local level.

**Mr. Allen:** I think that we—people from the localities—are perfectly capable of making such decisions. I do not need to abrogate that decision to a civil servant in the Department for Communities and Local Government. I am quite content that a sensible formula could be arrived at by ourselves, the Local Government Association and the people who wish this to succeed, rather than having nanny decide the formula for us. I know that that is not what my hon. Friend is saying, but if we are to mature and grow we need to look after ourselves and to take responsibility. That, in itself, can be quite a frightening task.

Central Government would still have the ability to intervene, as other federal Governments do in western democracies, for specific, time-limited purposes such as helping out with urban regeneration for five years—moving in and out, as often occurs in other democracies that have the maturity to run their local and national affairs without that involving a contradiction. It is only in the UK—the last country in the empire—that we feel that everybody has to be told what to do from the centre.

I hope that local councils, assured that the funding of most of their expenditure was secure, would then be free to raise the remaining part of their income from a menu of revenue-raising powers ranging from property taxes to sales taxes. Decisions on local tax and rates could be taken by local representatives and perhaps even endorsed in local referendums. My guess is that local authorities would mostly rely for their income on the local tax that I have described, a returned business rate and a property tax to meet their expenditures. Of course, they would continue to receive rental income

from their own housing, which, incidentally, might well have a dramatic revival if freed from central Government control.

In a mature democracy, local authorities would be confident and competent enough to raise and spend what they decided was appropriate, always needing to balance service delivery and revenue raising with the electoral consequences of no taxation without explanation. Citizens, knowing what they paid and why, and holding their local representatives to account, would constitute a far firmer discipline and stronger bulwark against central interference than any statute that we might want to pass in this place. They would own their local government once again.

Local authorities already have a record of financial expertise and economic management that bears comparison with a central Government who so often wish to lecture them. However, as a constitutional safeguard, local authorities would be obliged to operate a balanced budget provision—the self-discipline operated by most American state governments. Annual income would have to match annual spending, and local borrowing, provided that its costs were met from annual income, need not be controlled by Whitehall or appear in the old public sector borrowing requirement, which we now call the public sector net cash requirement.

Throwing away the crutch of central Government will be frightening as well as exciting. There will be no one else to blame any more. However, devoted public service has always characterised local councillors of all parties, and they will respond to their liberty. Let local people decide on their spending and their services, on their electoral system or the use of direct democracy.

Returning real decision-making power to local areas would also give a much-needed stimulus to local political parties. Many individuals—we all know them—have opted out of local politics. They do not want to be rubber-stamping the decisions of local and regional bureaucrats. We have lost a lot of good people that way. They would be drawn back into public service, and once again it would really matter who got elected locally and how well they were politically prepared and technically trained to handle the onerous local duties of independent local government. We would re-create that invaluable network of citizen politicians of all parties, in touch with their communities and close to their constituents, empowered and empowering their local areas.

An era is ending. The current agency relationship between the centre and the localities cannot be sustained. Now is the time for some bold leadership and to let go—to release and return power to our local communities. I hope that the Minister will make a bold response and that it will be matched by a vision from leaders in local government, who have so far by and large shown themselves to be happy just to quibble over the scraps, rather than fight for their freedom. They should seize the opportunity that the concordat presents for independence and autonomy and remake our local government, making it fit for the next 100 years.

11.18 am

**The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda):** I congratulate my hon. Friend the Member for Nottingham, North (Mr. Allen) on securing this worthwhile and interesting debate. I shall attempt to respond not with mechanistic, localist jargon, or indeed by invoking the spirit of Leonid Brezhnev, but I hope more in the spirit of glasnost and perestroika. The debate is about the constitutional status of local government, as my hon. Friend said. I also congratulate and thank my hon. Friend the Member for Bury, North (Mr. Chaytor) for his contribution, with which I agree, and the hon. Member for St. Ives (Andrew George) for taking part.

While I agree with much of what my hon. Friend the Member for Nottingham, North said, I must begin by making two contentions. First, it is the freedom and flexibility on the ground and willingness between partners to co-operate that deliver the best outcomes. I know that we agree on that. The issue is not the constitutional status of those partners, but what happens on the ground. Secondly, the Government have taken successive and radical steps—recently in particular, but also in the past decade—to deliver more freedom and much more flexibility, and we are committed to doing more. However, my hon. Friend's comments concern me, because they mean that there are people in local government who are not taking best advantage of some of the opportunities available to them.

My hon. Friend challenges local leaders to display vision and leadership. I suggest that the freedom and flexibility that the Government provide to local leaders offers them that opportunity. Their challenge is to work together with local partners, including local strategic partnerships—my hon. Friend is the only MP I know of who chairs his own local strategic partnership, One Nottingham—to achieve the best outcomes for local people.

The Government are committed to localism and devolution. Successive policies and legislation have returned power to local authorities and strengthened their roles as local leaders, although that is not to say that there is not still much more to do. The last election manifesto contained the commitment that the Government would

"build upon our unprecedented programme of constitutional reform embedding a culture of devolved government at the centre and self-government in our communities."

The provisions of the local government White Paper and the Local Government and Public Involvement in Health Bill take that further and represent a new settlement between local and central Government—a transfer of power from Whitehall to the town hall, alongside devolution, and right to the doorstep.

So where are we now? We face a big opportunity and, at the same time, a big challenge. It is time to turn devolution into a reality in our local communities and show what local democracy can achieve with all the tools that we are trying to provide to local government. The new local area agreements coming in next year take devolution a step further. They give local government greater space to deliver for communities and ensure that local communities have a bigger say in influencing the future of where they live. They put a premium on all local partners working together to deliver better services and deliver a big cut in red tape. They also provide local authorities with greater freedom to direct funding towards local priorities and will lead to real debate between Whitehall, local authorities and communities about the future of their areas.

*[Mr. Parmjit Dhanda]*

My hon. Friend talked about the hand of Whitehall and the burdens that it places on local government, but the new LAAs will reduce the number of indicators from about 1,200 to about 200, of which only about 35 will be answerable to central Government. We have to get the balance right in this House. I have taken part in several debates both wearing this hat and as an education Minister, and recall one, in particular, when the Education and Inspections Bill was going through Parliament, in which I was lobbied hard by Members about the need to enforce on local government the statutory need for a youth service. So there are bare minimum standards out there, and it is important that we support local government in retaining them for the benefit of our communities.

LAAs will ensure that public services meet people's needs. As they bring different people together, they have the potential to be the best solution to some of the complex, cross-cutting problems that we face in our communities.

**Mr. Allen:** I apologise for perhaps taking a little too long with my remarks, but I am keen to hear what the Minister has to say about the concordat and how it might help to move us forward.

**Mr. Dhanda:** I shall come to the concordat in the next five minutes. My hon. Friend referred to it several times, and it is important, but a lot of work on it is ongoing. I hope to be able to give him more detail on it as the autumn progresses. I shall be keen to correspond with him in detail on the progress that we are making, because he is right that it is important in relation to balance and the day-to-day work between central and local government and our councillors.

My hon. Friend describes an inherent paradox in our plans between centralism and devolution. He argues that agreeing a single set of indicators across government will lead to less flexibility, not more. I do not agree. LAAs are not a centralising measure; indeed, they are quite the opposite. They are a genuine central/local negotiation that allows local leaders to have direction over funding. The outcome is a deal that hands over responsibility and frees funding for local government and local partners to take the actions that they decide are best for their areas. The new agreements give room for local authorities and their partners to focus on the issues that local partners think are most important.

My hon. Friend also mentioned leadership. The success of devolution and the new localism depends, in part, on strong leadership in local government—leadership that recognises and tackles local priorities, forms active partnerships and gives local communities and local people a bigger say in what happens in their areas. As strategic leaders for their areas, it is the responsibility of local authorities to ensure the social, environmental and economic well-being of their communities. The role of a strategic leader is not to deliver everything oneself, but to use one's influence and democratic mandate to make sure that the services that people need and the priorities for the area are tackled.

Last week, the Department for Communities and Local Government published a report highlighting the link between stable and powerful political leadership and customer satisfaction with services. As my colleague the Minister for Local Government said in welcoming the report:

> "This study shows that giving councils a more visible and effective leadership role has led to faster decision making, better services and improved public satisfaction."

Having stronger local leadership will allow local government to invoke many of the powers that make it more responsive to the local communities that my hon. Friend talks about.

**Mr. Allen:** In the context of leadership, will the Minister admit into the talks about the concordat between local and national Government, if the LGA leadership wants it, a discussion about the concept of constitutionally independent local government? Has anything been ruled out of those discussions?

**Mr. Dhanda:** I do not want the concordat to be a dry paper, and I am sure that we need to have an in-depth and worthwhile discussion on it. However, I disagree with the principle of having something that is constitutionally independent of Government rather than statutorily independent, because, as I said at the outset, this issue is about delivery on the ground. That is what matters most to local people.

In the time available, I shall respond to some of the comments that have been made about funding, particularly on a point made by my hon. Friend the Member for Bury, North. We must not leave some of the very important decisions about Government funding to a quango. We must ultimately accept, as a Government and as Ministers, when we have formulae for local government, that we are accountable. We in central Government are accountable for those decisions and that should continue to be the case, although we must also respect local decisions and accept that people must decide locally how best to spend those resources. They might have innovative ideas for the future about how best to raise more resources.

I have not been able to cover as many points as I would have liked to in the time available, so I will write to my hon. Friend, if that is agreeable to him. I hope to keep the dialogue between us ongoing as we move towards a concordat.

11.30 am

*Sitting suspended until half-past Two o'clock.*

## Smaller General Hospitals

2.30 pm

**Tony Baldry** (Banbury) (Con): I suspect that the Minister's effective response to this debate will be short. In so far as the reconfiguration of local hospital services is concerned, I imagine that she will say, first, that such reconfiguration is a matter for local medical opinion, and, secondly, that Ministers will act in such matters on the advice of the independent reconfiguration panel. If the Minister were to say that, she would be wrong.

Local general practitioners are against the cuts, as are those hospital staff who have been able to speak out against them. Patients and local residents are petitioning and rallying against the cuts to general hospitals in their tens of thousands. In my constituency, local medical opinion is overwhelmingly against the proposed changes to services at Horton general hospital, but it has simply been ignored, and, although the existence of the IRP is welcome, it can, of course, only advise the Government within the policy parameters set by them.

For example, the Government have given some clear indications as to what they consider should be the minimum size of a consultant-led maternity unit, although it should be observed that our European neighbours safely manage consultant-led maternity units substantially smaller than those in the UK. Indeed, the existing maternity unit at the John Radcliffe in Oxford is already larger than practically every consultant-led maternity unit in Germany, France, Holland and Belgium.

I believe that everyone can understand, after the turmoil of the junior doctors' training fiasco and the somewhat patronising approach of the previous Secretary of State, that when the present Secretary of State came to office, he was keen to give the impression of drawing a line in the sand and to institute a year-long review of the national health service. I suppose he hoped that that would buy him time to sort out what was going on in the NHS, to try to understand why so much extra investment has led to so little by way of improved outcomes and, in the meantime, to try to shuffle off any difficult decisions to the IRP. Indeed, a study published at the beginning of this month found that health services in the UK are some of the worst in Europe. The UK is in the same league as countries such as Slovenia and Hungary, which spend far less on health, and is languishing below Estonia and the Czech Republic in respect of health care.

Unfortunately for the Secretary of State and his ministerial colleagues, the approach of seeking to shuffle off decisions was completely undermined as soon as the present Prime Minister walked into No. 10, because one of his first actions was to appoint to the health ministerial team Professor Darzi, now Lord Darzi of Denham. On the day that Lord Darzi was appointed, he observed to *The Guardian* that:

"The days of the district general hospital...are over."

Indeed, he went on to say in that interview that in the not too distant future there will be far fewer general hospitals in London, and that many of them would be replaced by what he described as "polyclinics". Ministers have doubtless seen that the Government's proposals for downgrading general hospitals in London and replacing them with polyclinics have been attacked by the British Medical Association. Dr. Hamish Meldrum, the BMA council chairman, recently observed that costly, unproven polyclinics could lead to

"a damaging fragmentation of care."

Ministers would do well to reread Lord Darzi's report, "Health care for London". On page 26, he compares productivity in various types of hospital. He concludes that the best results outside London are achieved by small general hospitals. On page 49, in discussing the proposals for more midwife-led care, Lord Darzi states:

"Prompt transfers are vital—the Royal College of Obstetricians and Gynaecologists recommends that such transfers should ideally take fifteen to twenty minutes."

Lord Darzi clearly has not considered the Oxford Radcliffe Hospitals NHS Trust's proposals for the Horton.

It is not just in London that the Government are presiding over a damaging fragmentation of care of hospital NHS services, but in the rest of the country. Some 25 to 30 general hospitals in England are threatened by substantial downgrading, through which maternity services and accident and emergency services could close, or combinations of various services could be downgraded or closed. If such changes go ahead, hospitals will no longer be general hospitals but simply a collection of medical services.

**Mr. Tim Boswell** (Daventry) (Con): On maternity services, does my hon. Friend and constituency neighbour agree that there is little chance indeed of making the journey with a complicated obstetric case from Banbury to the John Radcliffe in less than 40 minutes, even with the bells down and no traffic? Does he also agree that there is a wide rural hinterland in both our constituencies, from which transfers would be even farther and even more critically dangerous?

**Tony Baldry:** I entirely agree with my hon. Friend. We know the geography of north Oxfordshire. I was amazed today to discover that the Oxford Radcliffe trust had told Radio Oxford that it thought that a journey could be made in 30 minutes. I challenge the trust to organise a trial any time that it wants; I would happily take part. It is inconceivable that it could demonstrate to the local newspapers that it is possible to get from Banbury to Oxford in 30 minutes, even with a blue light. Everyone who lives in north Oxfordshire knows that that is just not possible—like so many other things, it is just totally aspirational.

As the Minister will doubtless observe, some changes have the support of some parts of the medical establishment, but that is very much a consequence of the Government's substantially reducing the amount of time that junior doctors will spend in training. We are rapidly moving to a training-led NHS, rather than a patient-led NHS.

**Dr. Andrew Murrison** (Westbury) (Con): Does my hon. Friend share my dismay regarding the advisers whom the Government have chosen to take forward their proposals on the NHS? It is hardly surprising that the review is going in the direction that it is, with a focus on tertiary centres, as the advisers are Lord Darzi, Roger Boyle and George Alberti. Excellent though they are, they have no experience of primary or intermediate health care, and it is hardly surprising that

*[Dr. Andrew Murrison]*

general practitioners therefore feel that they are being marginalised in the Government's plans, almost exclusively in the interests of highly specialist and tertiary centres.

**Tony Baldry:** I entirely agree with my hon. Friend. As I shall show the House, GPs feel that they are being not only marginalised but patronised as a result of the way in which the changes are taking place.

The medical establishment's attitude, to which my hon. Friend the Member for Westbury (Dr. Murrison) just referred, was effectively demonstrated by the dean for medical training in the Thames valley, who gave evidence to the health overview and scrutiny committee on the proposed downgrading at the Horton hospital. The dean was asked by the committee why it would not be possible to send doctors who are in training on rotation from the John Radcliffe in Oxford to the Horton in Banbury. After all, both hospitals are in the same NHS hospital trust. The dean responded to the effect that it would be unreasonable to expect junior doctors to travel the 26 miles from Oxford to Banbury. I believe that the dean was somewhat surprised by the wry laughter around the council chamber in which the meeting took place. Everyone said, "Hang on a moment, the Oxford Radcliffe NHS trust is expecting huge numbers of patients and their families, sick children, concerned parents and mothers in labour to make the 26-mile journey from Banbury to Oxford."

Indeed, on the trust's own figures—putting its own best case—it is expecting as a consequence of its changes that hundreds of mothers in labour will have to be transferred from the Horton to the John Radcliffe. I am thinking of mothers such as my constituent Alison Bentley, who enjoyed a trouble-free pregnancy, but whose baby's cord dropped beneath the neck during delivery. To prevent brain damage to the baby or death by oxygen starvation, Mrs. Bentley had to be placed on all fours while a midwife physically prevented the baby's head from being delivered.

In future, such a mother in those circumstances would have to be put in an ambulance and sent on an hour's journey to Oxford, so it is not surprising that the Royal College of Midwives is vigorously opposing the removal of consultant-led obstetric services at the Horton. It is not surprising that Judy Slessar, the regional organiser of the RCM, recently observed:

> "The RCM does not consider the Oxford Radcliffe Hospitals Trust has provided a strong enough argument to transfer services to Oxford."

What the Government are presiding over is a fragmentation of NHS hospital services. My straightforward question to the Minister is, how do the Government explain to my constituents and the constituents of many parliamentary colleagues how a comprehensive downgrading of services at the Horton in Banbury is in any way an improvement in NHS services for the hundreds of thousands of people from Oxfordshire, Warwickshire and Northamptonshire who look to it as their local general hospital? Of course, perhaps it would help Ministers to answer that question if they could be bothered to come to Banbury, or at least to understand that the Horton is a general hospital. I am glad to say that my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), the shadow Secretary of State for Health, has taken the time and trouble to come to Banbury to talk to those who are concerned about the future of the Horton, as have my hon. Friends the Members for Eddisbury (Mr. O'Brien), and for Guildford (Anne Milton), who has recently joined the Conservative shadow health team.

When the chair of the Oxford Radcliffe patient and public involvement forum wrote to the Secretary of State specifically inviting him to Banbury—we must bear it in mind that the Government set up such forums to be the voice for patients and the public—he could not be bothered to reply. Instead, a letter from an official in the Department's events and visits unit wrote saying:

> "Regrettably due to heavy diary and Ministerial commitments the Secretary of State is unable to accept your invitation."

That is civil service-speak for saying that the Secretary of State could not be bothered to come to Banbury. Perhaps he did not want to face up to the local PPIF, which expressed on the record considerable concern at the lack of proper consultation by the trust. Jacqueline Pearce-Jervis, the chair of the forum, observed in a letter to me:

> "The truth is, as we all know, consultation has been minimal...the public are telling us that no attempt whatsoever has been made to talk to young mothers or, older people."

**Peter Bottomley** (Worthing, West) (Con): The Minister might like to invite the ambulance services to a party for all paramedics who have delivered babies before they could get the mothers to hospital, and then consider how many more would have to be invited if every maternity unit led by consultants in England were closed down.

**Tony Baldry:** I entirely agree with my hon. Friend, and with his early-day motion about births on the road. We are getting into a crazy situation in which our constituents must contemplate whether they will have their babies in a hospital or in an ambulance somewhere between their home and a hospital.

**Mr. Andrew Turner** (Isle of Wight) (Con): We on the Isle of Wight are lucky that we kept one district general hospital open. Low levels of maternity were observed following the threat to the island, yet we kept the hospital open. On the mainland, smaller hospitals have closed or are threatened, at least partly by the EU working directive. Does my hon. Friend agree that it is an unnecessary directive that adds to the problems faced by general hospitals?

**Tony Baldry:** Yes, but the Government must explain how, when every other country in the European Union is covered by the same directive, France, Germany, Belgium and Holland still manage to have consultant-led maternity units substantially smaller than those here, and are not setting an arbitrary figure for a minimum size for consultant-led midwife units.

**Mr. Nigel Waterson** (Eastbourne) (Con): Is my hon. Friend aware that in my area, despite overwhelming opposition from local people and all GPs bar one, who happens to work for the primary care trust, to proposals to downgrade maternity, those proposals are being proceeded with and the EU working time

directive is often being quoted? Is my hon. Friend aware that, as I understand it, the Government would be well within their rights to apply for a derogation from that directive, at least until 2012, but have not lifted a finger to do so?

**Tony Baldry:** My hon. Friend makes two good points. First, the Government have made absolutely no attempt to obtain a derogation from the European working time directive. Secondly, Ministers say that reconfiguration of local services is a matter for local medical opinion—and then completely ignore the views of local general practitioners as though they simply do not exist.

Against that background of ministerial indifference and poor consultation, it is perhaps not surprising that as recently as a couple of weeks ago, during the Labour party conference, the hon. Member for Exeter (Mr. Bradshaw)—another Health Minister—was on the Bill Heine show on BBC Radio Oxford describing the Horton as "a small cottage hospital". The Government's intention may be that it becomes a small cottage hospital, but it has for many years been a general hospital, and everyone locally is determined to do everything possible to keep the Horton general.

I am conscious that a number of colleagues understandably wish to contribute to this debate, and I suspect that one and half hours is far too short to do justice to the importance of the issues. I want to focus briefly on the proposed changes to services at the Horton.

At the moment, the Horton has a 24/7 consultant-led children's service to look after sick children. That came about following the tragic death of a little boy in the 1970s because, at the time, the Horton did not have the necessary facilities. That little boy's death demonstrated that for a sick child, Oxford is often simply and tragically just too far away. Following his death, Barbara Castle set up a statutory public inquiry, which directed that there should be 24/7 children's services at the Horton. What is now being proposed will take us back 40 years. What is now being proposed is that no sick child will be admitted as a patient to the Horton, and during evenings and weekends—bar about three hours on Sundays—there will no longer be any consultant-led children's services at the Horton.

That will present every GP and every parent with a considerable conundrum: if they have a sick child, do they take their child to the Horton, which is nearby but might not be able to treat the sick child, or do they start the journey to Oxford? Ministers who are too busy to visit Banbury will probably not know that it contains three wards—Ruscote, Grimsbury and Neithrop— with some of the highest social needs in south-east England, and many people who simply do not have access to a car, so for them, getting a sick child to Oxford will be something of a nightmare.

An indication of the trust's desperation is that in its most recent proposed service reconfiguration, it announced:

"Transition arrangements should include an education programme to advise parents and the public about the new service and what to do with a sick child out of hours."

Will my constituents and those of neighbouring Members of Parliament be expected to recognise illnesses such as meningitis? How do the Government explain to local parents that the removal of those services is in some way an improvement in the NHS? Without 24/7 consultant-led paediatrics, there can no longer be a special care baby unit, and the trust is also proposing that the Horton will no longer have a consultant-led maternity unit, but that it will become the largest midwife-led maternity unit in the country.

Ministers make much play of the fact that the reconfiguration of medical services should be informed by local medical opinion. When the trust's proposals were first promulgated, they were met with an excoriating response from the north Oxfordshire and south Northamptonshire general practitioner forum, with some 86 GPs supporting a joint submission in which they said:

"We remain opposed to the proposals on the grounds of safety, sustainability and the reduction of access to basic health care and choice for our patients, which will affect especially the most vulnerable. We have little confidence in the process of consultation and the spirit in which it was conducted."

On paediatrics, the GPs observed that much of their discussions

"with the Oxford Consultants are centred around our genuine concerns about safety—we have highlighted these areas to them in a detailed and specific way. Their response has been a reactive and a rather inadequate 'sticking plaster approach' which would seem to confirm the fundamentally flawed nature of the proposed model in the first place. It would seem quite inappropriate to take forward such a flawed proposal."

The GPs described the proposals for maternity services as inhumane, and said:

"Under the proposed model mothers who may fail to progress, or show signs of foetal distress in the second stage of labour, or who have prolapsed cord or haemorrhage would require very rapid transfer to Oxford. Given the numbers involved this would carry significant risk and would be inhumane…babies born in need of immediate resuscitation would incur a transit time of approximately one hour. The idea that paediatric cover could be provided safely from Oxford in these circumstances is false and dangerous."

The GPs continued:

"Without 24 hour paediatric cover locally, the A&E Department could not continue to accept paediatric emergencies. If proposals to remove local emergency surgical services are carried through, it will also lack surgical cover for acutely ill surgical patients. The domino effect would lead to the result of downgrading to a minor injuries unit in the mid to longer term."

There would be no accident and emergency department. The GPs concluded:

"We believe that these proposals and the tenor of discussions relating to them pose a risk to the overall integrity and sustainability of the Horton as a General Hospital. They undermine the morale of its staff and impact adversely on recruitment and retention of high quality personnel. Far from creating excellence in health care…they betray a lack of will, vision and imagination and consequently degrade it."

Clearly, it was impossible for the trust to assert that it was introducing service changes at the Horton hospital on the grounds of safety, when every GP whose patients were within the Horton's catchment area described the proposals as unsafe and inhumane. The trust took the original proposals off the table, ceased the consultation and established two clinical working parties. Somewhat bizarrely, it refused to disclose the names and professional qualifications of any of the members of the two working parties, which somewhat undermined any confidence in the integrity of their work. The changes consequent on the work done by the clinical working parties were fairly cosmetic, and if the clinical working parties were an

*[Tony Baldry]*

exercise intended to persuade local GPs of the need for downgrading services, they failed.

Giving evidence to the health overview and scrutiny committee, Dr. Richard Lehman and Dr. Emma Haskew, representing the local GP forum, reported that they had carried out a further survey of the original 86 GPs. Some 56 remained clearly opposed to changes and they could find only three who supported them, and that was on the basis that they were the "least worst option". I am not sure what that phrase means—how does the "least worst option" differ from the worst option? I do not want NHS hospital services for my constituents to be provided on the basis that they are the "least worst option". The present views of local GPs on the changes were well summarised in a recent letter from Charles Perrott, the lead partner of the health centre in Brackley, which is in the constituency of my hon. Friend the Member for Daventry (Mr. Boswell). It states:

"Many of us have seen cases where delays in treatment would have resulted in death or disability had the Horton hospital not been available...It is true that for specialised conditions the outcomes in the specialist centres are better, but one has to be able to get to the hospital first. The overall population-based mortality rates (as opposed to hospital mortality rates) will rise if frontier hospitals such as the Horton General are not able to provide the full range of general services such as paediatrics and obstetrics."

Senior local GPs are still making it clear that they believe that local mortality rates will rise and that delays in treatment will result in death and disability as a consequence of the changes.

Another group that the trust must persuade about the wisdom of the changes is the midwives at the Horton. After all, they will go from working in a consultant-led unit to working in the largest midwife-led unit in the country. That unit will be 26 miles and approximately one hour's ambulance journey away from the nearest consultant obstetrician. The midwives at the Horton have made their views clear. The Banbury branch of the Royal College of Midwives, in a letter to the *Banbury Guardian*, stated:

"The branch wishes to make it clear that the majority of its midwife members have expressed their support for maintaining the full range of maternity and paediatric services at the Horton. The current service provides true choice for the benefit of women, their babies and families...The branch notes an article of August 30 which quotes comments made by the clinical working group that the proposals were the 'safest option'...The branch does not consider the changes to be the safest option when compared with the present service. Over the past few weeks, it has been made clear through the Banbury Guardian by local women of the wide variety of situations that have been dealt with successfully by the Horton and that they wish the full coverage of the current service to continue."

Since then, articles such as that by Professor James Drife in the *British Medical Journal* have been published. He is a specialist in obstetrics and gynaecology at Leeds university, and he has made it clear that the lives of women and babies will be put at risk under the Government's plans to encourage births at midwife-led units. I am sure that the Minister has noted that Professor Drife observed in his article that thousands of women may need to be rushed to hospitals from such units if complications arise that put the lives of mother and child at risk.

The Minister wrote a letter to me in anticipation of this debate. It states that

"it is vital that the views of local people are taken into consideration which is why service improvement proposals are subject to full consultation."

I must tell the Minister that local people have made their views extremely clear.

**Dr. Julian Lewis** (New Forest, East) (Con): May I say something to my hon. Friend on the issue of consultation? I know that this debate is about the downgrading of a local general hospital. However, in the New Forest in Romsey, we have been fighting to save our community hospitals. We experienced all the techniques of bogus consultation options. Eventually, after huge public displeasure and demonstrations, which are almost unheard of in our part of the world, the PCT said that it had changed its mind. Even now, it is attempting to convert community hospitals into clinics—to do anything, rather than have in-patient beds. When it comes to democratic opinion, PCTs—sadly—have a great deal to learn.

**Tony Baldry:** My hon. Friend is correct that such service reconfigurations are characterised, almost universally, by bogus consultation.

Local people make their views clear. Some 35,000 local people signed a petition against the downgrading of the Horton, which was presented to No. 10 Downing street, and I presented a petition of some 15,000 signatures to the House. The Minister will find that the independent reconfiguration panel will receive hundreds, potentially thousands, of individual letters from local people setting out the reasons why the existing services at the Horton are valuable to them and why they wish to retain them.

Indeed, with the help of the "Keep the Horton General" campaign, ably led by George Parish, a local Labour district councillor, local people have done pretty well everything that it is permissible to do in a democratic society to demonstrate their almost total opposition to, and collective concern about, the proposals. Huge churches have been packed full, and there have been petitions, rallies and marches. We had "Hands around the Horton", at which local people formed a huge chain of support around the hospital, but they do not believe that Ministers are listening. They cannot understand why the Secretary of State cannot be bothered to come to Banbury. They do not understand why the Minister of State, the hon. Member for Exeter, referred on Radio Oxford to the Horton as a "small cottage hospital". If Ministers do not recognise general hospitals, there is a problem for us all.

Local people were totally bemused when the Minister of State, the right hon. Member for Bristol, South (Dawn Primarolo) accused my right hon. Friend the Member for Witney (Mr. Cameron) of scaremongering by including the Horton on the list of general hospitals currently threatened by the Government. Even today, at Prime Minister's questions, the Prime Minister suggested that there is no threat to the Horton. That is deeply insulting to local people, and the Prime Minister would do well to ensure that he is properly briefed by Ministers and officials before making such ludicrous assertions. When Ministers in the Department do not recognise

that the Horton is being threatened by the Government, they are clearly not living in the real world but in some parallel universe.

Local people find it insulting when the Prime Minister starts talking about citizens' juries, and when he clearly does not know what is going on. Why do we need citizens' juries when local people have made clear their views in a 35,000-signature petition presented to Downing street, and in a 15,000-signature petition that I presented to the House?

A stakeholder group, including representatives of patient, community and public bodies, rejected the clinical group's support for the trust's proposals, saying that they

"represented a significant downgrading of access to services and a worsening of choice for women and children".

Against the background of such comprehensive local and medical professional opposition to the trust's proposals, it was perhaps not surprising that the trust could not find a single witness—other than members of its own staff—to give evidence to the health overview and scrutiny committee in support of the proposals, or that the committee unanimously decided that the proposals should be referred to the IRP. Incidentally, that is the first time in the four years of its existence that the committee has made such a recommendation, so it was clearly not lightly made.

One of the fundamental principles of the NHS is, rightly, equity of access, but if the Government's proposed changes go ahead at the Horton and at other general hospitals, my constituents and thousands of other people in the country will not have equity of access. Intolerably, they are going to have services that are less safe.

Dr. Richard Lehman, the senior partner in one of Banbury's fastest-growing GP practices, describes the trust's proposals thus:

"It is as if a third of the mothers in my practice are being randomised without their informed consent to a kind of provision which has never been shown to be safe and on basic first principles is very unlikely to be safe. If somebody tried to carry this out as a clinical trial, I cannot believe that any Ethics Committee would give it a second look."

Next year is the 60th anniversary of the founding of the NHS. If the Government continue to undermine general hospitals, they will be undermining a fundamental principle of the NHS.

There are concerns about whether the John Radcliffe hospital could cope with the increase in the number of sick children as a consequence of their no longer being treated at the Horton. Figures sent to me by staff at the Horton show that the children's ward was used as a safety net for the John Radcliffe on 18 occasions during July. So for more than half of July, the JR was full so far as new admissions of sick children was concerned, and had to refer them to the Horton. Indeed, statistics show that the Horton children's ward was also on call for Milton Keynes, Stoke Mandeville, and the Royal Berkshire and Kettering hospitals. July is not a winter month, when pressures are high. If there are no 24-hour children's services at the Horton and if the John Radcliffe is unable to take them, where are the children who currently go to the Horton going to go? Will they go to Swindon or Reading?

On a weekly or sometimes daily basis, GPs all over north Oxfordshire are told that the John Radcliffe cannot cope and that they should refer patients to the Horton. For example, on Tuesday 2 October, Thames Valley Emergency Access sent an e-mail to many GP practices stating:

"We have been advised by the Ops Team at the JRH that capacity remains tight today in all areas especially in adult and paed. medicine. As a result of this they would like you to refer adult and paed. medical admissions to the Horton Hospital in Banbury."

Exactly the same thing happened the next day, Wednesday 3 October, and again on Friday 5 October. On three out of the past five days in the last working week, the JR was unable to accept new admissions, and the Horton had to shoulder the burden.

What about this week? Yesterday, 9 October, exactly the same thing happened. JR wanted all adult and paediatric medical admissions to go to the Horton, and said that

"there are also issues with Gynae",

so GPs were asked to

"refer Gynae patients to the Horton."

Exactly the same thing happened today. On the day of this debate, the JR is asking adult and paediatric medical admissions to go to the Horton. That rather prompts the question: on what day is the John Radcliffe able to accept admissions? If downgrading of services goes ahead at the Horton, it will not be possible to send such patients there. Where are they going to go? Who will be responsible if things go wrong?

Catherine Hopkins, a qualified midwife who is now a solicitor in Oxford, has a practice that is devoted almost entirely to helping parents of children who have been brain-damaged during birth. She says:

"It is not sufficient to say that women will be carefully screened and high risk cases will be delivered at the consultant unit at the JR. How many emergency Caesarean sections were there at the Horton last year? I question what would have happened to those who would not have been assessed as having high risk pregnancies. If the current proposals are put in place, when a midwife at the proposed new unit decides a woman in her care needs emergency medical attention, the mother, possibly in an advanced stage of labour, will have to be transferred by ambulance to a consultant unit. The clinical Working Group found that an ambulance transfer from the Horton to the JR could be achieved in 48 minutes. This delay could lead to serious damage occurring to mother or child. As a former midwife and solicitor who acts for children brain-damaged in the course of their birth, I believe that (negligence) claims of this sort could rise as a result of this proposal."

Interestingly, there appears to be no evidence of the Department of Health having done any work on the safety and risk of midwife-led units—no assessment of whether there are any greater risks to mothers and babies inherent in a midwife-led unit. In this instance, on the trust's own figures, a significant number of mothers who start labour in the MLU will need to transfer during labour to a consultant-led unit. On the trust's most optimistic figures, a significant number of mothers who start in the midwife-led unit will—not might but will—have to be transferred during labour some 26 miles to a consultant-led unit. It should not be forgotten there are many occasions when the M40 between Banbury and Oxford is closed, either due to bad weather such as fog or snow or due to road traffic accidents, which appear to be becoming, sadly, all too common between junctions nine and 10. As I said, I understand

*[Tony Baldry]*

that the trust today told Radio Oxford that the journey could be achieved in 30 minutes—that is complete hogwash.

It is not only the Horton that faces this threat. I commend my hon. Friend the Member for Worthing, West (Peter Bottomley) for his early-day motion on births on the road. It is tragic that hon. Members are having to table early-day motions asking that the strategic health authority guide the local primary care trust in maintaining consultant-led maternity services at Worthing, with the aim of reducing the number of babies born before arrival at hospital. This is third-world medicine.

What is the degree and range of added risk to mothers and babies of such moves? GPs locally have reviewed all the major medical journals for the past nine years, and no work at all appears to have been done on considering whether and to what extent larger midwife-led units may increase risk to mothers and babies. Indeed, I understand that there will be no sound data on this matter until September 2009, when the National Perinatal Epidemiology Unit is due to report.

**Peter Bottomley:** Will my hon. Friend accept, and will the Minister listen to, what is said by the Royal College of Obstetricians and Gynaecologists, which very clearly says that if there is to be a midwife-led unit, it ought to be through the wall from a consultant-led unit, not 20, 40 or 60 minutes away?

**Tony Baldry:** I entirely agree with my hon. Friend. It is significant that the largest midwife-led unit at present is next door to a consultant-led unit. The idea that it will now be some 26 miles away from a consultant is crazy.

In August, I wrote to the Secretary of State, asking a straightforward question:

"In these circumstances, how can the Government be confident that encouraging downgrading of Consultant-Led Units and replacing them in a number of instances with Midwife-Led Units is safe as the Government appears not to have done any work on this issue whatsoever?"

I am still awaiting a reply to that letter.

Ministers say that the changes are being driven in part by their having to implement the European Union working time directive, but other countries in Europe are also obviously equally covered by that directive. How are they managing to continue to have consultant-led maternity services in much smaller units?

Jim Thornton, professor of obstetrics and gynaecology at the university of Nottingham, has observed that

"Previous experience with mega mergers (of maternity units) like this has not been good",

and that

"Previous experience with freestanding Midwife-Led Units created after Consultant-Led Units closed has not been good. Examples. Wakefield—on edge of closure, only open working hours. Hull—ditto. Southport—Midwife-Led Unit created when Consultant-Led Unit closed proved non viable and has now closed."

Professor Thornton goes on to give examples of at least seven free-standing MLUs that have recently closed or are closing soon. Why are the Government intent on creating new large midwife-led units, when the experience is that many of the MLUs created when a consultant-led unit closed have proved unviable and are closing?

On the proposals to downgrade children's services, what response are the Government giving to the report of the children's surgical forum of the Royal College of Surgeons, which in July concluded:

"The current downward trend of provision of general paediatric surgery in General Hospitals needs to be halted and reversed"?

It is not just consultant-led maternity units across the country that the Government want to downgrade, but a significant number of accident and emergency units. Many of the same concerns apply. An academic study published in August by the medical care research unit at Sheffield university carefully collated statistical evidence for what might seem a blindingly obvious conclusion: that there is a direct correlation between the distance that emergency patients must travel to receive hospital treatment and an increased risk of mortality. Put bluntly, the further away a victim is from a hospital with accident and emergency provision, the more likely they are to die from their illness or injury. One might think that conclusion so obviously a matter of common sense that it is difficult to understand how any Minister can attempt to maintain that the closure of local accident and emergency departments in favour of regional—which is to say, fewer—centres for emergency treatment somehow benefits NHS patients. One cannot benefit from elite specialist care if one is dead on arrival.

The trust's response to the concerns of professionals, patients and residents has been wholly inadequate. It is simply no substitute for consultant-led services to have, as the trust proposes in its revised proposals, a phone line for midwives in Banbury to call doctors in Oxford for advice in an emergency. General hospitals cannot be run like NHS Direct.

I hope that the Secretary of State, who is still comparatively new in his post, will sit down with Ministers and officials and look again at the collective impact of the Government's policies on general hospitals. Unless he can be confident that patients will not be put at risk, the Horton and other general hospitals should not be downgraded. Medical science may have improved since the 1970s, but the journey to Oxford has not. We believe in general hospitals; the Government, seemingly, do not. GPs, nurses, midwives and patients all wish to see existing general hospitals thrive, and I simply want the Government to produce policies that enable us to keep the Horton general.

**Several hon. Members** *rose—*

**Dr. William McCrea (in the Chair):** Order. I trust that it will be helpful to hon. Members to know that I intend to commence the winding-up speeches at 3.30 pm. A number of hon. Members wish to speak, so I trust that, when speeches are being made, that will be taken into account. I call Dr. Taylor.

3.6 pm

**Dr. Richard Taylor** (Wyre Forest) (Ind): Thank you, Dr. McCrea. I thank the hon. Member for Banbury (Tony Baldry) for raising this absolutely vital issue. I shall concentrate on generalities rather than specific cases.

I am sure that not many hon. Members read the *British Journal of Healthcare Management*, but I happened to be reading it on the train on the way home one day not that long ago and I nearly fell off my seat because the political commentator was suggesting to the Prime Minister that I should be the next Health Secretary. I have been waiting ever since to be asked for advice and I am about to give advice that I think will help the Minister in her response and that I know will help all the Opposition Members, because in the past few weeks, an absolutely vital paper has been published. The only people I am doing down are people such as me, who might want to stand for election again to protect their hospitals.

The Academy of Medical Royal Colleges is a group consisting of the presidents of all the royal colleges, including GPs, anaesthetists, physicians and surgeons. They have all come together with a working party and published a paper called "Acute Healthcare Services: Report of a Working Party". To my amazement and pleasure, it is written in a patient-friendly, authoritative way. It goes away from the Royal College of Surgeons saying that every hospital has to serve populations of 500,000 people, which is quite impracticable. I shall talk briefly about the report, commending it to everybody to look at.

The foreword, on one of the introductory pages, states that the three main challenges to which the paper responds are to ensure that any change should be to improve safety and quality, to consider the impact of the European working time directive and to recognise the interdependency of acute services—if we take away one service, another is likely to fall down. The foreword goes on to state:

"There is evidence that for some very serious conditions, care in specialised units is associated with better outcomes."

Nobody would argue with going to a specialist unit for a major head injury, a major chest injury or a ruptured aortic aneurism. The foreword goes on to say:

"However, these conditions together only account for a small percentage of acute care episodes. The evidence is much less clear for the majority of common conditions that make up 95 per cent. of acute care. There is evidence that larger emergency departments have longer waiting times. Big is not necessarily better."

A little later, the report lists 15 key issues, and I shall read just one or two of them:

"Patients should have good access to emergency care but for some serious acute conditions they and their relatives may have to travel further…The population and patients should be involved in shaping proposals to change services at an early stage. This will need an honest discussion of the real reasons for change"—

not the sort of spin that we are used to in consultations. Most importantly, the report says:

"Plans to redesign services which involve moving services from a particular site must not be fully implemented until replacement services are established and their safety audited."

That did not happen in my area, despite requests that it should. Elsewhere in the list, the report repeats:

"Although there is evidence to suggest that the centralisation of services to deal with complex or specialised work provides better outcomes for patients, evidence for centralisation of non-complex and high volume cases does not exist."

The report also goes into the difficulties that payment by results may produce and the effect of losing some elective work to other providers, which may put a strain on acute general hospital services.

The report does not shy away from politics. Recently, many medical commentators have said, "Let's get politics out of hospital reconfigurations," but the report says:

"The reorganisation of services always provokes intense public and political interest. This is completely understandable."

Of course it is understandable, because we all represent our own people.

Crucially, the report then gives a spectrum of proposed acute and emergency care services, which is supremely sensible. The first level, obviously, is primary care. Then there are community hospital and urgent care centres. The report then goes on to local hospitals, which is the group into which Kidderminster used to fit, although it does not now. Banbury certainly fits into that group and so, too, amazingly, do some tiny hospitals that have been changed, such as the Montagu hospital in Mexborough, which has precisely 115 beds, and Hexham in Northumberland, which has only 98 beds. Local hospitals provide 24-hour services, including A and E, acute medicine, including computed tomography, laboratory services and level-3 critical care. That is what local people want and need. Of course Lord Darzi can recommend changes in London, because it is unique and there probably are far too many hospitals, but he cannot do the same thing in country areas.

The report later says that medical emergencies mostly involve those over 65 years. Such people represent the largest group of patients admitted to hospital and they all require rapid access to care, with only a small percentage needing specialist services.

There are qualms about the possibility that it may not be safe for a hospital that loses acute emergency surgery to have unselected medical admissions. I am sorry that the hon. Member for Grantham and Stamford (Mr. Davies) is not here, because Grantham has bitten the bullet in that respect. Its A and E department has been slightly downgraded and it has produced an entirely sensible list of exclusions—people who should not go there. Referring to those who should go there, the department's document says, in heavy type:

"A patient may be brought to Grantham and District Hospital if they require immediate Airway and/or Breathing resuscitation."

It is essential for everybody to have that on their doorstep.

**Peter Bottomley:** Will the hon. Gentleman join me politely in asking the Minister and every strategic health authority to produce a list of the conditions where they agree with what he has just said?

**Dr. Taylor:** I thank the hon. Gentleman for that intervention. In fact, the paper from Grantham—it is on the internet, and I got it only yesterday—is exemplary. The Academy of Medical Royal Colleges goes on to say that there will obviously be local changes, because different places will need slightly different arrangements.

I must mention clinical networks, because they are essential. Where we are combining the work of certain hospitals, they must work together. If we are to get networks going, there must be a high level of leadership from clinicians, and clinicians must agree to the proposals. The report says:

"Successful networks cannot be imposed from above"—

they must be the wish of those involved.

*[Dr. Richard Taylor]*

Let me say a quick word about paediatrics, because paediatrics and obstetrics are special cases, and they are discussed to a degree in the report. Speaking of paediatrics, the report says that, even at the lowest level—the urgent care centre in a community hospital—

"Staff should be competent in the initial assessment of children, including recognition of the sick child".

The first thing that a doctor or nurse must learn is how to tell when somebody is really ill.

The report puts into stark perspective the myths about cardiac and stroke care that Ministers and national directors have promulgated. Only a small minority of hospitals can do urgent coronary angioplasty, while only a minuscule proportion can give thrombolytic drugs to people with acute strokes, and the report lists them.

To finish, the report is hugely important. At last, there is a blueprint for acute health care services, including acute general hospital services, which has been written with staff and patient input. It gives the independent reconfiguration panel an absolute standard to work to when faced with controversial, contested reconfigurations. The Secretary of State has promised to refer all such cases to the panel, and if its recommendations agree with the report, I hope that he will support them.

3.17 pm

**Mr. Nicholas Soames** (Mid-Sussex) (Con): I am pleased to support my hon. Friend the Member for Banbury (Tony Baldry) in this debate, which is central to the interests of all our constituents. He covered an enormous amount of ground at great speed—indeed, if he were a horse, I would breed from him.

The Prime Minister speaks about rebuilding trust in politics and reconnecting people with the political process, but what can those words mean when Ministers have given me and other hon. Members assurances on the Floor of the House in the recent past about the future of A and E facilities at the Princess Royal hospital in Haywards Heath and elsewhere—an issue that could hardly be of more importance and concern to our people—and then reneged on those promises within two years? The Government should be truly ashamed of treating people in that way.

The proposals for the future of the Princess Royal hospital in my constituency include downgrading the A and E and the loss of all elective surgery and of our wonderful maternity services. The proposals across West Sussex more widely, which cover the Princess Royal hospital, the Worthing hospitals and St. Richard's hospital in Chichester, are wholly unacceptable and unsuitable and would undermine the safety and accessibility of acute services in West Sussex. I take great heart from what the hon. Member for Wyre Forest (Dr. Taylor) said. I have indeed read the paper that he mentioned and I very much hope that the Government will pay close attention to what it says.

Tens of thousands of people have made their views on this matter known in the only way they know how. More than 300,000 people have signed petitions and 25,000 have marched. This weekend, in Haywards Heath, the support the Princess Royal campaign will have a march, which 10,000 people will, I hope, attend. People feel, rightly, that they have paid their taxes and that they are entitled to high-quality local and accessible services.

I know that the Minister is an excellent person, and I hope that she will not be got to, because I trust her judgment. However, I hope that she understands that this is the fourth time in seven years that the Princess Royal hospital has come up for review. That is no way to run a health service or to look after patients. Above all, it is no way to treat the staff. The staff at the Princess Royal know perfectly well that there is no clinical evidence in support of the changes, although they must of course be cautious about saying so.

On the face of it, the proposals are absurd. The Princess Royal is 15 miles south of one of the biggest international airports in the world, 5 miles from a very busy motorway, and at the centre of one of the fastest-growing places in the United Kingdom, which has an increasing, and increasingly young, population. It sits in West Sussex, which, I do not have to remind the Minister, covers more than 770 square miles, and has a population of more than 750,000 people, a struggling transport infrastructure and a growing and ageing population.

As the hon. Gentleman said in a speech in the House of Commons just before the House rose for the summer recess, to which I paid particular attention, infrastructure is about more than roads, railways, sewers and health and social services. It underpins national and local well-being, and people in my constituency, and elsewhere, know that and will make a powerful case to the Minister. Most importantly, the people in Mid-Sussex, and across the county of West Sussex, who have been through an awful lot with the health services in the past seven years, want an assurance from the Minister, if the so-called consultation is to be seen to be real—I hope that she intends it to be real—that the powerful, detailed and knowledgeable views expressed locally will be listened to, and that attention will be paid to them when it comes to the shake-up at the end of the process.

I speak this afternoon on behalf of my hon. Friends the Members for Worthing, West (Peter Bottomley), for East Worthing and Shoreham (Tim Loughton), for Arundel and South Downs (Nick Herbert), for Wealden (Charles Hendry) and for Chichester (Mr. Tyrie) and the hon. Member for Lewes (Norman Baker). All the campaigns in West Sussex to save our hospitals are emphatically all-party, and they embrace all shades and none of political and social opinion. They are not to be despised by a slippery and thoroughly unreliable Government.

Finally, I should like the Government to know that Dr. Herry Ashby, a magnificent and inspirational GP in Newick in East Sussex, has 180 letters from GPs in the Mid-Sussex and Lewes area, representing 300,000 patients, saying that they believe that the proposals relating to the Princess Royal, and other wider changes, are untenable and clinically unsafe, and that they will not support them. Across Worthing and Chichester, opinion is just the same. We look to the Government to resolve those matters in a way that is serviceable and reliable to our constituents; perhaps the hon. Member for Wyre Forest has given the Government a good signpost.

3.22 pm

**Mr. Peter Bone** (Wellingborough) (Con): It is a pleasure to follow my hon. Friend the Member for Mid-Sussex (Mr. Soames). We have had two powerful

speeches about saving hospitals, and I congratulate my hon. Friend the Member for Banbury (Tony Baldry) on securing such an important debate. I also feel very sorry for the Minister. I know that she is an excellent Minister, but not a single Labour Back-Bench MP has bothered to turn up to support her in the debate, whereas there are Conservatives, Liberals and independent Members in the Chamber today.

I will not, the Minister will be pleased to hear, campaign today to save a hospital. There are hundreds of thousands of my constituents in Wellingborough, Rushton and east Northamptonshire who do not have a hospital. It takes them the best part of 40 minutes to get to the nearest hospital, and if one were to travel by public transport, it would take up to two hours. The hospitals that they must go to are at Kettering and Northampton. They are full to bursting point. There is no room for them to expand. Yet the Government have said that Wellingborough must be at the heart of a growth area, with 52,000 new houses to be built in the next 10 years or so. Even the Government, in their policy document, say that there should be a new general hospital in the area. There are no plans for such a hospital. Yet the same Government, who say that Northamptonshire should have a certain amount of money for its primary care trust, have, every year since the formula was devised, deliberately underfunded Northamptonshire. I am saying to the Government: take the money that you should have given Northamptonshire, build the hospital for Wellingborough and Rushton and relieve the pressure on the other two hospitals, in Northampton and Kettering.

I have a listening to Wellingborough and Rushton campaign. The idea is to discuss local issues. Unofficially, two weeks ago, I launched a campaign for a hospital in our area. I have had more than 1,000 letters—people bothering to write to me, put on a stamp, and post their letters—before we have even launched the campaign. I hope that the Minister will consider the issue and realise that in a growth area it is really necessary to have a hospital to serve the people.

**Several hon. Members** *rose—*

**Dr. William McCrea (in the Chair):** Order. I am trying to allow as many hon. Members as possible to speak in the debate. The last two to speak have been very considerate in the time that they have taken, and I should deeply appreciate it if others would bear that in mind.

3.25 pm

**Paul Rowen** (Rochdale) (LD): I congratulate the hon. Member for Banbury (Tony Baldry) on an excellent exposé of some of the issues that have affected all of us when reconfigurations and district general hospitals have been under consideration. Rochdale infirmary has just been through such a process. Our hospital is being downgraded. We are losing maternity, paediatrics, acute medical and acute surgical services, and our accident and emergency is being downgraded to an urgent care centre. The hospital is situated in a ward where the average morbidity rate is the fifth highest in the country, the average lifespan being 68 years of age. The changes are from a Government who talk about delivering services locally, where people need them. We are losing those services. A petition against the proposals has been signed by 44,000 people, all in vain.

I want to talk about the process that we went through. When he was appointed, the Prime Minister talked about restoring trust in politics. If the way in which we were treated is an example, he is even more cynical than his predecessor. The decision to downgrade Rochdale was announced on the Friday before the August bank holiday. At 4.30 on that evening I got through to someone at the Minister's office, who refused to confirm to me that a statement was to be made the following morning, even though I had an e-mail that had been sent out to the press and media inviting them to the press conference. That is a disgraceful way to behave. It is totally contrary to the way in which Members of the House should be treated, but it is typically cynical. The fact that there are no Labour Members present illustrates that point. As the hon. Member for Wyre Forest (Dr. Taylor) eloquently said, there are alternative methods and ways. The Government need to start listening, because the people are not satisfied, and will not put up with this disgraceful way of running the health service.

3.28 pm

**Peter Bottomley** (Worthing, West) (Con): May I briefly make a small correction to something that was said earlier; there are Labour Members here. The Minister and her Parliamentary Private Secretary the hon. Member for Crawley (Laura Moffatt) are here, and the Minister will be as concerned about what is happening in the county as the rest of us are.

I have two points to add. First, in my part of West Sussex the chief executive of the primary care trust has constantly said that there is clinical support for the proposals. We asked whether GPs had been consulted. The answer appears to be no. We put out non-judgmental questions to GPs. Of the first to respond, one said that he could see the point of the proposals, but wanted to remain anonymous, and 50 said that they opposed them, and gave their names. When we asked the consultants and other medical staff at the hospital, and midwives—who are also clinicians—they opposed the proposals.

At the primary care trust meeting on Monday in Worthing, at the Pavilion theatre, at 7 pm, probably nine out of 10 of those who attend will not be able to get in. Nine hundred will be able to attend. I expect up to 10,000 will not be able to. I hope that those who are there will hear the primary care trust announce that it will put to Sir Graham Catto proposals developed by clinicians in Worthing and the district—with, hopefully, people in Chichester as well—which can be considered on all fours with the three inadequate proposals that have been considered up to now.

The consultation has so far been nearly a disaster. It can be rescued; if the Minister has a chance, will she tell the strategic health authority and the primary care trust to take the representations of councils, clinicians and Members of Parliament seriously? They speak with the people who will try to be at that meeting.

3.29 pm

**Andrew George** (St. Ives) (LD): In the little time that remains, I shall simply add from the perspective of my west Cornwall constituency—

**Dr. William McCrea (in the Chair):** Order. With the agreement of Members, the Front-Bench spokesman will allow you a few more minutes, but please do not push it too far.

**Andrew George:** I shall not. Perhaps I should have been told afterwards, Dr. McCrea, but I shall be brief in any case. I am grateful to the Front-Bench spokesman for allowing me to speak, as we are now over the allotted time.

Within my constituency, which comprises west Cornwall and the Isles of Scilly, we have been in campaign mode for a very long time—in fact, we have been in perpetual campaign mode for many years on behalf of West Cornwall hospital in Penzance and St. Michael's hospital in Hayle. That is one of the inevitable consequences for Members of Parliament who represent areas with small general hospitals.

I appreciate fully that it is neither possible nor appropriate for Ministers or the Government to micro-manage the delivery of health services in local areas, but they do set the context in which such decisions are taken. The Royal Cornwall Hospitals NHS Trust, within which West Cornwall and St. Michael's hospitals fall, faced financial difficulties last year. Depending on how it is defined, the trust faced a deficit of up to £58 million for which it had to find solutions. Inevitably, panic-laden and highly regrettable decisions were taken at the time. Under effectively new management and a new primary care trust, things are turning around. I welcome some of the Royal Cornwall Hospitals NHS Trust's proposals to reconfigure and put right some of the decisions taken last year to downgrade services at West Cornwall and St. Michael's hospitals.

It is worth making a more general point. Listening to the points made by the hon. Member for Banbury (Tony Baldry) respecting obstetric services in his constituency, one can understand the situation in remote rural areas. For example, if things go wrong in the delivery suite at St. Mary's hospital on the Isles of Scilly due to the unpredictability of such circumstances, there are massive challenges in removing the mother to the nearest obstetric unit, which is more than 60 miles away, with more than 25 miles of sea between St. Mary's and the mainland. The Government must not presuppose that we live in semi-suburban, landlocked middle England. Many of us represent areas for which suburban solutions involving the closure of small general hospitals do not apply—the remoter areas of the United Kingdom.

In December, the Government redefined the term "accident and emergency". Minor injury units can now be defined as accident and emergency units. I feel that that is perhaps a cynical ploy to allow the Government to say that they have kept A and E units open simply by redefining them as level 1, 2 and 3 A and E units. I am worried that that ploy might be used.

The terminology in this debate must be reflected on. I hope that the Government will give us some stability on that and recognise that in some areas, the trade-off between emergency services and planned surgical events is often used to allow—or rather persuade—a local community to accept the downgrading of its services. Although I accept that the Government's role is limited in many ways, they can recognise the difficulties in many areas in their funding formula, provide clarity and stability in definitions and acknowledge that the country is not a single homogenous suburb.

3.33 pm

**Dr. John Pugh** (Southport) (LD): I congratulate the hon. Member for Banbury (Tony Baldry) on securing this debate. We have a lot more in common than one might think—not simply charm and good looks—as we were the only two candidates in the last election who were opposed by the independent Your party, backed by Martin Bell. I do not know quite why we were selected, but the candidate opposing me stood as a hospital campaigner, spending appreciable sums in doing so.

I had a lot of sympathy for that person, because what he fears could, despite ministerial protestations, come to pass. It happened in my constituency back in 2003, and it was proposed earlier this year. I was confronted with the reconfiguration of two hospitals. There were maternity statistics, which meant certain things to clinicians, and arguments about doctors' hours and the working time directive. Maternity went. When maternity went, paediatrics went, and then, most shamefully, so did children's A and E. Every child in the large seaside town I represent, as well as their anxious parents, must travel out of town along a winding road to receive any assurance or help from the NHS. As the hon. Member for Banbury observed in his speech, the midwife-led unit went shortly after; it was regarded as uneconomical.

That is what happened. The local primary care trust now finds it wholly anomalous and may do something about it, but there are general issues for any local district general hospital. Working patterns have changed. Junior doctors are an issue, as is the working time directive. Patient stays have shortened, expectations have been raised and finances have been stretched. An issue of clinical efficiency approaches us from two directions. It is argued that routine services are better delivered in the community, and it is argued from the other direction that many high-tech services are better delivered in less local specialist hospitals.

Some of those considerations undoubtedly have substance, but there is also strong support everywhere for district general hospitals. How much a politician is prepared to take on board the suggested implications in any one case tends to vary inversely with a DGH's geographical proximity to his constituency boundaries. Ministers are no exception in that respect; they behave in precisely the same way.

I have two points to make. One is that many suggested implications of the balance of consideration are false and do not follow—I am following the same line as the hon. Member for Wyre Forest (Dr. Taylor). The other is that the dilemma of the DGH that confronts us is a legitimate matter for genuine democratic decision and not decision by quango.

To address the first point, delivery in the community, which the Government talk about and most people seem broadly to support, does not mean not delivering in the DGH. The new renal dialysis unit in my constituency, about which I recently wrote to the Minister, will be on the DGH site, which is a wholly welcome development for patients. On the other hand, blood tests have been moved away from the infirmary and into the community clinic. It so happens that the community clinic is right at the end of my constituency, and people must now travel further to have blood tests. That is not ideal.

A district general hospital, as my examples prove, often represents a critical clinical mass where a variety of services can be accessed, cross-fertilisation of disciplines can occur and support services, which are quite important to most patients, can congregate. The clinics, which seem to be the new solution on the block, are the

equivalent of the NHS corner shop—and the rise of the supermarket should tell us something about general public preference.

On the second point, patients need no encouragement to seek the best cure wherever they can find it, but ill people have no particular incentive to travel any further than is necessary. Clinicians are another matter. I am worried when the Government say constantly that the matter will all be decided by clinicians; historically, clinicians have been blissfully uninterested in the patient's journey. The Shields report, which reconfigured my hospital's services, said that the reconfiguration would involve severe transport problems, but that is simply not a matter for the NHS; it is for somebody else to resolve. I tried to add to the recent Local Government and Public Involvement in Health Bill a clause saying that any consultation about reconfiguration should necessarily also be a consultation with transport authorities, but the Government resisted that proposal.

The wider patient experience is constantly neglected. Consultants' time is regarded as precious and patients' as infinitely expendable. We have all had the experience of turning up at an outpatient surgery at 10 o'clock, finding that about 40 other people have turned up for the same appointment and waiting for two hours. Everyone knows that realistically, highly specialist care needs highly specialist hospitals, which cannot be everywhere. Patients in my neck of the woods do not hesitate to travel further for cancer care, for example. However, good secondary medical care should be available in most towns; it should be networked with specialist units and care, and act as a filter and a resource to back up those units. We ought to make a case for district general hospitals being supported by and supporting the local community.

We have to accept that there is a trade-off to be made between clinical excellence and availability. I make my position clear: clinicians and hospital and PCT executives have important advice to offer on how that trade-off is to be managed. Ultimately, however, the matter should be negotiated by local democratic bodies; it should not be the local decision making of which the Government speak, which is essentially decision making by appointees. As the people of Banbury have witnessed, that is profoundly alienating and ultimately profoundly insulting.

Lord Darzi has put PCTs across the country into consultation mode. My worry is that unless something is done about the accountability of decision makers, we may get the kind of consultation that gives consultation itself a bad name. That frustration will be so strong and so marked that it will certainly deny the Labour party any prospect of a fourth term. I listened with interest to the Secretary of State speaking earlier today of increased accountability. He was questioned on the matter, but his responses were enigmatic. In no sense were they precise. It is on that issue that things need to be made clear and changed radically.

3.41 pm

**Mike Penning** (Hemel Hempstead) (Con): I congratulate my hon. Friend the Member for Banbury (Tony Baldry) on acquiring this debate. It is on a subject close to my heart, and those who know me will know that I have been banging on about the future of the Hemel hospital for a lot longer than I have been a Member of the House. For those who do not know, this is my first outing on the Front Bench—a fact of which I am very proud. I am also proud to see so many of my Conservative colleagues here today, along with members of other parties. One of my colleagues said earlier that there was a Labour MP on the Back Benches, but I think that she has to be here; the Minister needs someone to hold her hand. It is obvious that the people of Banbury are not alone. I am pleased that they understand so much about the hospital's future, and having such an excellent MP to represent them is so important.

The Health Committee, a Labour-dominated Committee of which I am still a member, issued a report not long ago saying that the devastation in the NHS and the cuts in hospitals were due not only to clinical concerns. Actually, there was little clinical argument; in most parts of the country they were the result of financial deficits, due to the Government's inability to ensure that nearly £100 billion of taxpayers' money got to the front line.

Lord Darzi may have been handed a poisoned chalice, but the Government want him to try to help them understand better the needs of hospitals, A and E departments and other specialist health facilities. However, he seems to be at loggerheads with his Front-Bench colleagues. For some time—since long before this Government came to power—there has been a push in the NHS for "big is beautiful". I note that the Secretary of State was recently in Basildon. Basildon hospital has been hugely expanded, but the nearby Orsett A and E hospital was closed to fund it. I know that because I was brought up in that part of the country.

Lord Darzi says that there does not have to be a population of about 500,000, but that it could be as low as 200,000 or 250,000. If so, we have a real concern about what has already happened. So many facilities, not least in Kidderminster and Hertfordshire, have already been closed on the basis that big is beautiful and that we need facilities to deal with populations of about 500,000. I have to say to my hon. Friend the Member for Banbury that this may be only the start; his concern about the closure of maternity units and A and E units is that they tend to be the first of the problems. Sadly, if they go other facilities will go with them.

The clinicians will argue that if there is no consultant-led maternity ward and the hospital could cope with a birthing unit, it will become unsafe. I cite the example of the Hemel Hempstead general hospital in my constituency. Our consultant-led birthing unit was closed, which left those needing the unit with a 12-mile journey to Watford. We were then given a shiny, brand new birthing unit, but 18 months later it was closed because it was not safe.

If we lose acute A and E, what do we lose with it? We are highly likely to lose acute cardiac units—that has already happened in my hospital—and we will also lose stroke units and almost certainly intensive care beds. Then those involved start looking at elective surgery—but what happens if something goes wrong during elective surgery? We need the acute back-up. I hate to be the bearer of bad tidings, but that is happening across the country.

Many hon. Members have articulated their concerns about their areas, and about specialist provision in their communities. They have shown that one size does not fit

*[Mike Penning]*

all. It is not physically possible. We are not talking only about the southern tip of Cornwall or the top of Scotland—even if we could, given that it is a devolved matter. We are talking about community and district hospitals and about acute A and E hospitals across the country, all of which are very worried.

One factor that concerns me is that the public do engage. I have presented petitions, as so many hon. Members have done. Thousands upon thousands of people have signed petitions and marched the streets, some pushing hospital beds. We have participated in consultation. We were asked, "What do you want to happen?" Our comment was, "Leave us alone." Indeed, 86 per cent. of the consultees in the West Hertfordshire Hospitals NHS Trust consultation said no to closure, but what happened? They closed it.

What point is there in having bogus consultations? Why do the Government lead the public up the garden path by saying that there will be consultation? What point is there in having independent reconfiguration panels if they can do only what the Government tell them to do? There is no point. Anything to do with such specialist areas must be clinically driven. It must be driven by those who know best. Politicians of whatever party do not know best when it comes to the future of the NHS.

I pay respect to Lord Darzi. He is a consultant. He does not know best for the entire the NHS. He is a specialist in a specific area. Even he has admitted that there are areas where he does not have expertise. Why not listen to the clinicians, the experts and the GPs? Hundreds of GPs are writing from West Sussex saying, "Leave our hospital alone." Why do the Government not listen? Is it not the job of the Government to listen to those who know?

What is a local general hospital? I am greatly concerned that we are leaving the public in a dangerous situation. Those who drive through my constituency of Hemel Hempstead will see signs everywhere saying, "Hospital: A and E". There is no A and E; it is a minor injuries unit. If those with acute conditions drive there, the hospital will do its best, but the patients will then be transferred by ambulance to the nearest acute hospital, perhaps to Watford. However, if a blue-light ambulance comes from Hemel with a patient who has an acute need, it will go immediately to Watford. It is wrong to allow any trust—or any politician—to mislead the public into thinking that a hospital has certain facilities when it does not. It will cost lives. It is fundamentally wrong.

It is a crying shame that we are not having a general election. If we had had one, a Conservative Government would have led a moratorium on those closures. We would have been able to protect the services that our constituents so rightly deserve.

3.48 pm

**The Parliamentary Under-Secretary of State for Health (Ann Keen):** I congratulate the hon. Member for Hemel Hempstead (Mike Penning) on his appointment and I welcome him to the Opposition Front Bench. I look forward very much to working with him. I thank all hon. Members who participated in the debate. With your permission, Dr. McCrea, I acknowledge the presence of those in the Public Gallery.

I congratulate the hon. Member for Banbury (Tony Baldry) on his success in the Speaker's ballot and on initiating this debate on the future of smaller hospitals. I know that he will understand that, as he mentioned at the beginning of his contribution, the matter concerning the Horton General hospital is now with the independent reconfiguration panel and I am personally unable to acknowledge those comments. He will understand that I cannot do so because, as was mentioned, we want to take the politics out of the decision making; that is the purpose of what we are doing.

It is a testament to the popularity and success of the NHS that we have such beloved institutions that are held so dear by the people whom they serve. That is a huge compliment to the national health service locally and all the people who work in it, who provide the best possible care for patients. It is obvious from the numbers of Opposition Members who are in attendance today that they are committed to the NHS—to its funding and its structure in its modern format. As a former nurse who worked in the NHS for more than 25 years, it is extremely encouraging for me to see Opposition Members who are so committed to the NHS and its future. I say to the hon. Members for Wyre Forest (Dr. Taylor), for Mid-Sussex (Mr. Soames) and for Wellingborough (Mr. Bone), who were so complimentary, that I am listening; the Government are listening. That is the whole purpose of the review. The hon. Member for Banbury quoted Lord Darzi and what was quoted or rather misquoted in the newspapers. It is important that I put on record what Lord Darzi actually said:

> "I have been widely quoted as saying the "days of the District General Hospital are over". Let me be clear about what I did and did not say. The days of a one size fits all provider, repeated over and over again in a Metropolitan Capital are over. This does not represent the world-class service that a world-class city deserves. However, in my Report I did describe a key role for "Local Hospitals". This is where the future of District General Hospital lies."

It is important that we put that matter to bed once and for all and that we accept what Lord Darzi actually said.

When people talk about the reorganisation of services they think that it is about money, but it is not; it is about safety, quality and what is more convenient. That is why the consultation is taking place with clinicians, patients and user groups across the areas that the local health service serves. Lifestyles, society, medicine, technology and the NHS itself have all changed over the past 60 years, and I am sure that all hon. Members would agree with that. Change is certainly nothing new in the national health service. The NHS has always responded to change and the latest treatments by organising itself to deliver that care. We are responding to a variety of drivers for change. The change that we are asking all clinicians, patients and communities to consider is about clinical practice, clinical safety and delivering services to the user in the best possible quality way. It is not about reorganising staff or health authorities.

As a former nurse, I make no apology for why some of these changes are essential. If we do not keep up with the times, services will not keep on improving. Today we are reaping the benefits of new medical technologies and safer surgery, which means quicker recovery times

for patients and shorter lengths of stay in hospital. For example, years ago, in cardiology we had to have beds for patients suffering from heart attacks. Patients were kept in coronary care units for two or three weeks at a time and surgery was not possible. We have advanced our surgery and bypass techniques to the extent that we can look into the coronary arteries on a day-case basis and provide a surgical procedure through the coronary artery. We can also now provide drugs, such as statins, to stop cholesterol building up in the coronary arteries. Thousands and thousands of lives have been saved and with the cessation of smoking people can look forward to having a healthier heart and lifestyle. We look forward to that change; it is a massive change. The needs and the way in which we care for cardiac patients will always change. Medicine is and always should be dynamic.

We need to consider the issue of inappropriate buildings. We love our buildings. I for one was brought into the House to save my local hospital, so I empathise with everybody who has come to this debate. That hospital was to be closed and the land sold off. The issue was not about acquiring services locally and nobody consulted the people in that constituency and community about where we could have services. Such a consultation is what is being suggested in the present format of reconfiguration; it is documented that that is how it is being delivered. The Government, Lord Darzi and myself are committed to that process; it is being clinically led. Now we have an independent review looking at some areas in the country. I do not think that we could be fairer than that.

There was a history of widespread hospital closures in the 80s and that is why people fear the existing consultation. Yes, there is mistrust of the past and people would be right to mistrust what happened in the 80s and 90s. They would be right to mistrust a period when people had to collect money for urgent hospital equipment. People do not have to do that today. We have just seen a settlement to the NHS that is 4 per cent. above what was expected. We know that there is a sense of safety in relation to the health service. Everyone of us who represents a constituency has a duty to ensure that that message is put across because the fear is damaging. The hon. Member for Mid-Sussex mentioned the stress of constant change. I recognise that that is not good for staff or for delivering services. I urge managers and those who are conducting consultations to do so in a manner that reduces stress as far as possible.

We have modernised facilities. We have 54 major new hospitals, more than 2,500 refurbished or replaced GP surgeries, 520 new one-stop centres and more than 60 walk-in centres. We are considering every district general hospital and every area that delivers an aspect of the health service, every area that has specialist nurses and every area that has maternity services, which were mentioned today. I ask all hon. Members to debate with the Royal College of Midwives on having a midwifery-led centre that is in fact safe. Midwife consultants are safe. Yes, different measures of maternity care are required and will require different levels of either obstetrician or midwifery-led care, but that does not mean to say that we should not discuss that issue.

When someone takes an ambulance journey, the practice of paramedics means that it is a very different experience from 10 or 15 years ago. That is because of the knowledge of our paramedics. I would like hon. Members to acknowledge the knowledge that paramedics have and the advancements that we have made in waiting times in accident and emergency departments. Patients are expected in accident and emergency on a controlled arrival because their journey has been controlled by many expert paramedics. That is different from what we offered patients some years ago; it is an advancement, and I hope that all hon. Members recognise the difference.

Yes, there is always anxiety about any change. Yes, there are always problems with consultation. Also, it is not easy to get practitioners to change their practice. Sometimes we have to encourage our peer group to accept change. That is not easy, and that is why the wide scope of Lord Darzi's review includes all staff and patients; not just the top docs, but everybody concerned. The role and expansion of the primary care team must also be considered. The GPs who are the real backbone of our services and who are willing in many instances to look at change would be grateful for the consultation not to be dealt with in a manner that spreads fear because to do so is unfair. Some 60 years ago Aneurin Bevan said that the NHS will always have to change. Aneurin Bevan asked us to look towards the professions and people of responsibility to consider that change.

I thank everybody for their contribution today. I will listen. I have listened. I will go away and consider what has been said, and in the future, I hope that there will be a consultation process that hon. Members and their constituents can accept.

# Mobile Phone Masts

4 pm

**Tom Brake** (Carshalton and Wallington) (LD): I suspect that I may start my peroration only to be cut off in the next couple of seconds—indeed, the Division bell is going now. I seek your guidance, Dr. McCrea.

*Sitting suspended for a Division in the House.*

4.15 pm

*On resuming—*

**Dr. William McCrea (in the Chair):** We now recommence. You had the break at just the right time.

**Tom Brake:** This debate is the first parliamentary opportunity to discuss the mobile telecommunications and health research programme report 2007, which was published on 12 September. I intend to touch very briefly on handsets—not in an attempt to catch out the Minister, but because they featured in the report. I think, therefore, that they are worth discussing today.

It is clearly true to say that mobile phones are very much part of our way of life. I have got one and I suspect that everyone else in the Chamber has as well, with one possible exception. In the UK, there are 70 million mobile phone subscriptions, compared with just 9 million 10 years ago. However, that rapid growth has been accompanied by growing concerns that exposure to radio waves from mobile phones and base stations poses a health risk. Concern about masts has been expressed by residents of the Ridge, in Woodcote, of Green Wrythe lane, in Carshalton, by those living next to the Oaks Park golf club, and by those living just about everywhere else in my constituency and, I suspect, in every other constituency where masts are being erected. Concerns about the health impact of handsets are more muted, possibly because people have a choice of whether they carry a mobile phone. Clearly, they do not have a choice about whether they live next to a mobile phone mast.

The balance of evidence from research to date suggests that no health impacts have been identified. However, gaps in scientific knowledge, particularly about the long-term health impacts of this very new technology have prompted calls for further studies to be conducted, which is happening in the UK and around the world. What are people's health concerns about masts? The major concern is the possibility that radio waves cause cancer or a greater risk of cancer owing to the heating up of cells in the body. Some studies have shown that there is a greater risk of cancer-related conditions in those situated near telecommunications masts. However, many other studies have suggested that that is just a possibility. I think that people are concerned about the lack of clarity in those different messages.

One of my constituents, Mr. Simon Densley, is here today for the debate. He tracks very carefully the research on mobile phone masts and describes the health concerns in this way:

"They fall roughly into two categories: short and long term. Short term covers immediate and near immediate effects such as headaches, dizziness, extreme irritation, etc. These seem to currently only affect a small percentage of the population. There is research which offers an explanation for this. Also there is thought to be evidence that long term chronic exposure can increase electro-sensitivity over time and therefore the number of people susceptible to these short term effects."

Later I shall move on to what the mobile telecommunications and health research programme report had to say about that. He also says:

"Long term problems cover anything that can be caused by a long term build up of cellular and neurological damage. Specific symptoms that have been noted in laboratory or epidemiological studies include depression, cancer, leukaemia and brain tumours."

Mr. Densley's concerns are echoed by a group of German doctors who launched the Freiburger appeal after noticing a correlation between higher incidents of depression, cancer, leukaemia, brain tumours, heart rhythm disorders, heart attacks and strokes among an increasingly younger population, brain-degenerative diseases and epilepsy, and exposure to pulsed high-frequency microwave radiation, as used by mobile phone masts, wi-fi, terrestrial trunked radio and several other new technologies. That appeal now has nearly 37,000 signatories, of whom—this is important—some 1,000 are medical doctors.

**Mr. Robert Flello** (Stoke-on-Trent, South) (Lab): Does the hon. Gentleman share my concern that where groups who live around a mobile phone mast, such as the Shooters Hill residents' action group, have undertaken their own surveys of health they have shown up huge numbers of concerning brain tumours and other illnesses and afflictions that he has mentioned so far? Does he share my concern that when one checks to see whether that is just a statistical blip, the evidence is not taken at sufficiently detailed low-lying levels to say whether it is?. All that can happen, therefore, is that residents can continue to have those concerns with nothing to allay them.

**Tom Brake:** The hon. Gentleman makes a sound point and underlines the need for ongoing research and extensive monitoring. As I said, we are dealing with a new technology, and I do not think that anyone could say hand on heart with total certainty what the possible implications might be down the line a number of years from now.

Let me return to the subject of the Freiburger appeal. It is important to note the number of medical professionals who are signatories to that appeal. We are talking about neurophysicians and people in general medicine, paediatrics and so on. We are not talking about people who do not have a scientific view on those matters, but about people who have an active involvement in health and the possible impacts of telecommunications. Clearly, the medical establishment does not necessarily support the view put forward by the Freiburger appeal.

The World Health Organisation says that one of the main causes of people's concern is due to newspaper reports that publish new and unconfirmed scientific results, and to people feeling a loss of control over their environment and what is put there. That is certainly something that appears in the appeal and addresses the point that the hon. Member for Stoke-on-Trent, South (Mr. Flello) made about the extent to which local communities have any say on the location of masts.

The WHO goes on to dismiss anecdotal reports of cancer clusters around mobile phone base stations because, in its view, clusters are in any case unevenly distributed

and with the number of masts located in the country statistically there would be clusters around mobile phone masts in the way in which there would be clusters around places with no masts. Clearly, medical opinion is not entirely united on mobile phone masts or on handsets and their impact.

On 12 September, the Mobile Operators Association welcomed the report published by the mobile telecommunications and health research programme. In its press release, the MOA said that

"the report concludes none of the research supported by the programme and published so far demonstrates that biological or adverse health effects are produced by radiofrequency exposure from mobile phones".

If it had used an exact quote, it would have said:

"The six year research programme has found no association between short term mobile phone use and brain cancer."

That is an area to which I shall refer again, because it is the significant gap in the research that has been conducted to date.

The MOA went on to state that it found the findings reassuring and consistent with the conclusion that there are no adverse health effects, but that there was a need in some areas for more research. It equally underlined the fact that in its view, and that of the report, there were areas where no more research needs to be carried out. When I get to the end of my speech, I shall ask the Minister to clarify whether there are any areas where, in her view, the science is now so well defined that there is no need for further research.

**Ms Katy Clark** (North Ayrshire and Arran) (Lab): In my constituency, many of the concerns that have been raised have been raised by the parents of young children. In Saltcoats in my constituency, T-Mobile is attempting to erect a mobile phone mast adjacent to Caledonia primary school. Does the hon. Gentleman agree that any research should focus specifically on the effect on young children given the many examples throughout the country of mobile phone masts being erected adjacent to primary schools?

**Tom Brake:** Absolutely. Of course, I shall be asking the Minister whether she would support a precautionary principle that would suggest that no mobile phone masts should be located next to schools or hospitals. I hope that T-Mobile will be receptive. I am pleased that there have recently been a couple of occasions in my constituency where mobile phone operators have appeared to be more willing to listen to representations and not to locate masts close to places where there have been high levels of concern. I hope that the hon. Lady will receive a positive response.

I want to quote Professor Lawrie Challis, who heads up the MTHR programme and acknowledges the need for more investigation. In an interview with *The Times* on 20 January of this year, in advance of the production of the report, he said:

"It's encouraging because they found nothing for people who've used phones for less than ten years, but there is a hint of something for people using them more."

Clearly, if the person who heads up the Government's programme into the impact of mobile phone use and mobile phone masts is of the view that there is a "hint of something" in the effect on people who have been regular users for more than 10 years, we should definitely investigate that.

Sufficient funds are, I hope, available for the research. Nearly £9 million has been contributed to the programme by a variety of sources, including the industry and Government. Although I am absolutely certain that the programme is independent and that the firewall is doing its job so that no influence is being exerted by the operators, I still think that there will be a problem of perception for those who are worried about the technology about the independence of the reports.

Although the weight of the evidence so far suggests that there are no health implications, we need to acknowledge the body of evidence and the support coming from some medical professionals in favour of caution. The industry is responding to that to a certain extent, and it is providing commitments as to how it will address public concerns over whether it is funding reports and research into the subject. It is trying to ensure that emission levels from handsets are clearly indicated. However, on that point, Members might have seen a report published just a few days ago that highlighted the fact that people really have to look if they want to find which mobile has a high emission level and which does not. I purchased a mobile phone for a friend a couple of weeks ago, and I cannot say that anything in the documentation leapt out at me to say whether that mobile phone was high-emitting or not.

**Ms Clark:** On the subject of the obligations of the mobile phone operators, does the hon. Gentleman agree that the five mobile phone companies that operate in the UK should now consider sharing mobile phone masts? That could be one of the major steps that could be taken to reduce the number of mobile phone masts erected. We should be actively considering that now, given the levels of public concern.

**Tom Brake:** The hon. Lady makes a perfectly valid point. My understanding is that two of the operators are seeking to do exactly that, although there may be some competition issues about whether they are allowed to do it. I hope that, if not reducing emissions—I do not believe that it would necessarily do that—it would reduce the visual intrusiveness of a proliferation of masts. I hope that we can have some clarity from the Minister on whether those two operators, or indeed others, will be allowed to share masts. I hope that competition reasons will not get in the way of that happening.

The Government's position is clearly set out in the Stewart report, which is what Members produce in evidence when they raise issues about mobile phone masts with Ministers. It highlighted some issues on the environmental impact of base stations and the need to discourage the use of mobile phones among young children.

I want to give the Minister a reasonable amount of time to respond to a couple of questions. In light of what the MTHR report said about the need for a substantial ongoing programme of long-term research into the impact of masts, will the Government support that research? How do they see that programme rolling forward, and who should be funding it? On a specific point, would the Government support more research

*[Tom Brake]*

into wi-fi, which has received a lot of coverage in recent months? There are concerns, and some schools have taken out their wi-fi because of health concerns. Do the Government believe that there is a need for more investigation?

Does the Minister agree with the view put forward by the MTHR and the MOA that there are some areas in which the science is now so well defined that there is no need for further research? If that is her view, perhaps she will set out in what areas she believes that to be the case. Given the uncertainty about the long-term health implications of mobile phone use and masts, would she support, as the hon. Lady suggested, the idea of a precautionary principle being adopted around schools and hospitals?

I do not consider myself a luddite in relation to mobile phones. There are genuine concerns about the long-term health impact of phones and masts, and they require the science to be kept under regular review. Detailed monitoring of those subject to the effects of mobile phone handsets and masts needs to be undertaken. I hope that the Minister will be able to reassure me and hundreds of my constituents, and constituents of other Members present, that there will be no no-go areas of research. We need certainty about the health impact of masts and handsets, which will be achieved only through constant monitoring of the science and regular and detailed health assessments.

4.33 pm

**The Minister of State, Department of Health (Dawn Primarolo):** I congratulate the hon. Member for Carshalton and Wallington (Tom Brake) on securing the debate. I shall confine myself to health issues—I am sure that he will understand why.

Mobile phone technology has raised health worries about masts and base stations in some people's minds. It is clearly important to understand those worries, answer them on the basis of evidence and ensure that the appropriate protections are in place. I am sure that the hon. Gentleman would agree that the best precautionary principle is for Ministers to be advised of the scientific evidence that exists at the time.

The hon. Gentleman is right that, recognising public concern, the Government set up an independent expert group on mobile phones and health in 1999 to review the health effects of mobile phone technology. He referred to it himself. It was chaired by Sir William Stewart, who now chairs the Health Protection Agency, and the report known as the Stewart report was published in May 2000. It was based on a thorough review of published scientific evidence on health effects, and Government policy on mobile phones is based on the Stewart report recommendations. The headline conclusion of his report was:

> "The balance of evidence to date suggests that exposures to mobile phone radiation below national guidelines do not cause adverse health effects to the general population."

On base stations in particular, he concluded that, looking at the balance of evidence, there was no general risk to the health of people living near base stations, on the basis that exposures were expected to be very small.

The report referred to the national guidelines in place at the time, but Stewart nevertheless recommended that, as a precautionary measure, those guidelines be replaced with more restrictive international guidelines. That has been done. He went on to make another precautionary recommendation in recognition of the incomplete scientific knowledge and significant public concern. It was interesting to learn from the Stewart report that the levels of radio frequency exposure from masts, where people thought they were likely to be high, was substantially less than those from mobile phone handsets held near the head. That led the chief medical officers to issue advice about handsets, which was published in leaflets and is well known.

The Government's overall response to the Stewart report was to accept its advice on following the precautionary approach. At every point, the Government recognise concerns and follow the scientific evidence. Because of the public concerns, we continue to do that even when the scientific evidence does not point towards harm. On Stewart's recommendations, we moved to the stricter International Commission on Non-Ionizing Radiation Protection guidelines. By 2001 the industry, Government Departments and their advisers were all working to the international exposure guidelines. The Stewart report also felt that more consultation at the planning stage was called for, and a revision of the planning policy guidance note was therefore introduced by the then Office of the Deputy Prime Minister in 2001, strengthening public consultation and referring specifically, for example, to school governors being informed.

Stewart also recommended an audit of base station radio wave exposure. The first audit was in 2001 and further audits have been carried out every year since. The measurements carried out each year by Ofcom have shown that base station exposures are well below the international guidelines, in many cases tens of thousands or more times below. We continually seek the means to improve ways to communicate with people who are concerned about the perceived health risks associated with masts.

**Mr. Flello:** Perhaps my right hon. Friend the Minister can shed some light on this. My understanding is that the international guidelines to which she refers are heating guidelines, so for a person living close to a phone mast it is a heating issue rather than about any other biological effect that the radio waves generate.

**Dawn Primarolo:** With respect to my hon. Friend, I am sure that he will appreciate that Ministers cannot pick and choose when to follow scientific evidence. Particularly when there is public concern in some areas, they need constantly to ensure that, as Stewart recommended, the available scientific evidence is always taken into account. I shall come on to that point.

**Tom Brake:** The Minister has mentioned the scientific evidence; I referred to what Dr. Challis had said about the need to consider the long-term implications. Although compliance with tougher guidelines is welcome, if the longer-term implications

reveal that those guidelines were set at too high a level, do we not still have a significant health issue to address?

**Dawn Primarolo:** I shall turn to the evidence, and in particular to the way in which the Government are advised. At any point with regard to health, whether an individual consultant recommends a particular drug when National Institute for Health and Clinical Excellence has evaluated it and said that the quality and impact is not as such, or evidence comes forward that needs to be considered, the approach is to embrace it.

An important development, following the Stewart report, was the establishment of a new research programme: the mobile telecommunications and health research programme. The hon. Gentleman referred to it himself, and I have with me its report, which was published on 12 September, just one month ago. It is a report from 23 completed projects, and therefore a report on the very latest research findings from a very high-quality research programme. None of the research published by the MTHR programme showed that radio frequency emissions from mobile phones affected people's health, at least in the short term. The hon. Gentleman referred to that point, and I am looking at the conclusions now.

One study specifically analysed whether short-term exposure to radio frequencies from base stations could have an effect on people's health, and although some people attribute their ill health symptoms to phone masts, the MTHR peer-reviewed study did not find any convincing evidence that their symptoms were caused by exposure to signals from mobile phones or masts.

Although there is no scientifically proven risk to health from base stations, the Government take very seriously the continuing public concern about the possible health effects from mobile phone masts. Indeed, the report touches on that point. I say to the hon. Gentleman that the Government will continue, with the precautionary principle to which he referred, to respond to the public's concerns and to support high-quality scientific studies that seek to address the very problems that my hon. Friends and the hon. Gentleman have identified in the debate. Ministers from the Department for Communities and Local Government, the Department of Health and the Department for Business, Enterprise and Regulatory Reform regularly meet representatives of mobile phone operators to discuss the matter, and we shall meet again shortly.

In conclusion, the only sensible and—if I could use the word in response to the hon. Gentleman—precautionary way in which the Government should proceed on the matter is to follow the scientific evidence recommended by people who are properly qualified to assess it. That is what we have in the 2007 report. Some issues have been identified for further research, and they will be taken forward. I hope that we can continue to address people's concerns by providing the evidence that answers their concerns, at all times advised by the scientific evidence.

## HMRC Offices (Sunderland)

4.44 pm

**Mr. Chris Mullin** (Sunderland, South) (Lab): Good afternoon, Dr. McCrea. It is a pleasure to serve under you.

My purpose this afternoon is to place on record my concern and that of many people in Sunderland about proposals by Her Majesty's Revenue and Customs to close its two city centre offices, Gilbridge house and Shackleton house, which between them employ 430 people. Although the proposals might make sense to the number crunchers and master strategists at headquarters, they make no sense at all once the wider considerations are taken into account. Indeed, they are in several respects directly contrary to Government policy.

I thank Ministers and the management of HMRC for the wide-ranging and genuine consultation that they have undertaken with all interested parties on the impact of their proposals. I am grateful for my meetings with senior officials and with my right hon. Friend the Minister, who listened courteously to the representations that I made. They are also considering representations from the city council, the relevant trade unions and others. From my right hon. Friend's predecessor, the Minister of State, Department of Health, my right hon. Friend the Member for Bristol, South (Dawn Primarolo), who has just departed from the Chamber, I welcome the assurance that wider considerations such as the impact on the local economy will be taken into account, as well as the assurance that whatever happens, the very successful drop-in service, which at peak times attracts up to 500 callers a day, will be retained at a city centre location.

Sunderland has come a long way in recent years. In the late 80s and early 90s, the local economy was devastated by the collapse of our shipyard, the colliery and a large swathe of our manufacturing industries. The process continues: only the other day we lost the last part of our historic glass-making industry. Today, thanks to a huge regeneration effort involving the public and private sectors, supported by successive Governments, our city has been transformed. Our once derelict riverside is coming back to life, thousands of new jobs have been created, the shopping centre is thriving and people are starting to want to live in the city centre again. However, the recovery is fragile, and it would not take much to tip the scales in the opposite direction. Acres of brownfield sites are still waiting to be redeveloped, which is why I am so concerned about HMRC's plans to take several hundred secure and relatively well-paid jobs out of our city centre.

In several respects, the proposals are contrary to Government policy. I had understood—perhaps the Minister will confirm that this is still true—that it was Government policy to devolve civil service jobs from high-cost London and the south-east to areas such as Sunderland, where rents and wages are lower, and which are badly in need of jobs. I see the Minister nodding. I think, so I shall take that as read. Indeed, that is how we came by the Shackleton house jobs in the first place. I may be wrong, but I believe that the building was purpose built as recently as 10 or 12 years ago, precisely to house London tax jobs that were devolved to Sunderland as part of Government regional policy.

*[Mr. Chris Mullin]*

I put it to my right hon. Friend that in these days of allegedly joined-up government, it makes no sense at all for one part of the Treasury to seek to devolve jobs to the more deprived regions while another seeks to take them away. It is time that those parts of the same Department met up. I hope that by now my right hon. Friend has introduced them to each other.

It is also policy, or so we say, to encourage job creation in sustainable locations that are well served by public transport, which is precisely what we have: Shackleton house and Gilbridge house are close to the city centre and well served by public transport—bus and metro. The plan is to relocate most employees in two already congested out-of-town business parks—Longbenton near Newcastle, and Waterview Park in Washington. HMRC already employs 6,700 people at Longbenton and 2,300 at Washington. Clearly, it is going through a "big is beautiful" phase. There is no pretence that most of the Sunderland employees will get to their new place of work by anything other than car. Indeed, the consultation document contains a table showing:

"Indicative travelling times (by car)."

The journey times that are suggested to cover distances of 14 or 15 urban miles from their present location are a tad optimistic—at least as regards Longbenton. I would be very surprised if it is possible to get from Sunderland to Longbenton in rush-hour traffic via the frequently congested Tyne tunnel in 32 minutes, and goodness knows how long it would take by public transport.

In terms of planning and environmental policy, the proposal makes no sense at all. That point is made forcefully by the chief executive of Sunderland city council, Mr. Ged Fitzgerald, in the council's response to the consultation, which I commend to the Minister. He states:

"I consider that the removal of...jobs from a central location within a well-connected city centre and relocating them to a suburban area some distance from urban centres north of the Tyne is fundamentally unsustainable in planning terms, is against current Planning Policy Guidance and is likely to throw additional pressure on transport routes in the Longbenton area which are already struggling to cope with increased traffic."

He adds:

"It may also not be in the interests of HMRC in terms of staff retention and staff turnover to have offices located in unsustainable locations away from good sources of labour."

I also draw my right hon. Friend's attention to a letter from Mr. David Walker, the chief executive of the Sunderland arc, the urban development company charged with overseeing the regeneration of much of Sunderland's riverside. The arc is hoping to generate investment of nearly £1 billion, one third of it from the public sector, over the next 15 years. Mr. Walker states:

"The loss of 430 jobs and the creation of over 6,000 square metres of empty floor space at a time when Sunderland arc is trying to build confidence in the private sector market, gives us grave cause for concern."

He adds that he is

"aware of the emphasis government places on promoting city centre office markets ahead of out of town business parks...I am, therefore, somewhat surprised that this proposed relocation appears to represent a disconnect with other strands of government policy."

In conclusion, perhaps I might make a suggestion. Instead of moving Inland Revenue jobs out of Sunderland, how about moving some in? As Mr. Walker says, the arc is in the process of putting together a huge investment in state-of-the-art new office space on a site which, by happy coincidence, is exactly opposite Gilbridge and Shackleton houses. If HMRC is consolidating its estate in the north-east, where better than in Sunderland? If that is not possible, how about taking over a couple more floors of Gilbridge house and moving the staff from Shackleton house into it? Whatever happens, I hope that the Minister and her officials will look at the big picture, not just the small one.

4.52 pm

**The Financial Secretary to the Treasury (Jane Kennedy):** It is a pleasure to see you in the Chair this afternoon, Dr. McCrea, and to serve under your chairmanship. It is always a pleasure to hear your lovely accent. I hope that you will not have too much cause to use it in the next 15 minutes.

I am pleased to have an opportunity to respond to the concerns expressed by my hon. Friend the Member for Sunderland, South (Mr. Mullin). His interest in the reorganisation of HMRC in Sunderland and the wider north-east—I see that his neighbouring colleagues, my hon. Friends the Members for Houghton and Washington, East (Mr. Kemp) and for Blaydon (Mr. Anderson) are present—has already been brought to my attention through questions in the House and the consultation process that HMRC has developed, for which I am grateful. At the meeting that we had in July, we were able to discuss in greater detail the concerns that my hon. Friend the Member for Sunderland, South has just expressed.

My hon. Friend has allowed me generous time to respond. As he will be aware, HMRC has designed a systematic process of review, consultation and announcements on decisions that is being implemented across the whole UK. I am grateful for his complimentary remarks on the process. As he rightly said, it is a genuine consultation, and I commend the hard work of the officials involved and the genuine efforts being made to take on board information and intelligence that is often brought up by local people. It helps to influence how the final decision is shaped.

The process is virtually complete for the urban centre of which Sunderland forms a part, and I expect an announcement to be made to staff and trade unions next week. At the same time, Members who have a constituency interest in the area will be notified. However, I reassure my hon. Friend, before he seeks to intervene, that the comments that he made today will be taken into account before a decision is taken.

**Mr. Mullin:** Is the Minister saying that a conclusion on the future of the offices in Sunderland will be reached next week?

**Jane Kennedy:** The conclusions are fairly well formed. I have yet to see them, but there is an opportunity as a result of today's further debate and discussion to consider the arguments that my hon. Friend made and to have a look at the decision before it

is actually communicated. He should consider that the decision is not finally taken until it is announced, if that helps.

**Mr. Mullin:** I have been in government myself—I made a couple of visits—and I am aware that sometimes, decisions are all but set in stone by the time they reach the Minister. I hope that that is not the case this time.

**Jane Kennedy:** I assure my hon. Friend that that is not the case. I have been taking a close interest in the reviews as they have rolled forward, not least because it is impossible to escape the close scrutiny that Members of all parties make of a review as wide-ranging as this one.

**Mr. Fraser Kemp** (Houghton and Washington, East) (Lab): This is just a quick point. My hon. Friend the Member for Sunderland, South (Mr. Mullin) mentioned the impact on transport and the road network in the north-east being part of the consultation. Several issues have arisen with the Highways Agency over the past few years. Has it been involved in the consultation, particularly in respect of the impact on the Longbenton site?

**Jane Kennedy:** I can assure my hon. Friend that all such considerations are taken into account before decisions are finalised. HMRC has developed a formulaic way of assessing whether travel times are appropriate, but it does not just apply a formula. It listens to representations that are made by staff, trade unions and managers in the locations to ensure that the formula that it applies fits the local circumstances, because, obviously, it will not fit all circumstances. HMRC looks closely at all the available advice and experience, particularly the experience of the staff involved, before arriving at a conclusion.

It is important that I re-emphasise why HMRC is conducting the review. It is making significant changes to the way in which it carries out its business, so that it can respond directly to customer demands and to a requirement that we are making of it to maximise operational efficiency. For some years, there has been very little work carried on in the back offices of each of the departments' buildings that is directly connected to the local community. In other words, the processing work that is being done in the back offices is not necessarily directly connected to the local communities in which they are located.

My hon. Friend the Member for Sunderland, South asked me to ensure that Government policy is coherent, and that the drive to decentralise civil service jobs is maintained. I reassure him that this process fits within that policy, in the sense that we are not drawing jobs back to the centre in Whitehall but are maintaining regional centres.

**Mr. David Anderson** (Blaydon) (Lab): Will the Minister give way?

**Jane Kennedy:** I shall give way to my hon. Friend in a moment, but first I want to make this point. I readily accept that we are examining the way in which we do much of the processing and routine work, in order to maximise the efficiencies that we know can be gained if people are pooled into larger groups of staff. Unfortunately, all the evidence demonstrates that that is the best way forward.

My hon. Friend the Member for Sunderland, South said that that happens to be the policy of the moment, but that it will go out of fashion and we will go back in 10 years' time. I have to tell him that, from what I have seen in other Departments that have asked a public sector service to examine how it has been doing such work, the move has been toward larger concentrations of staff performing what are, generally, similar types of activities. There are sound reasons why we need flexibility in how we deploy staff. I shall touch on those after I give way to my hon. Friend the Member for Blaydon.

**Mr. Anderson:** It is a pleasure to serve under your chairmanship, Dr. McCrea.

The Minister referred to decentralisation, but that decentralisation is from a town that suffered badly during the 1980s and has now turned round. A small number of key people will be decentralised to a site that is bursting at the seams and, from the transport point of view, that is not needed. The problem is not just the traffic on the A19; it is the traffic that will be diverted on to the A1, which is a nightmare. If anyone can travel from Sunderland to Longbenton in 32 minutes, they are driving faster than Lewis Hamilton.

**Jane Kennedy:** I know the A1 because my parents still live in the north-east, and I have not-so-fond memories of difficult journeys on it. I know the point that my hon. Friend makes.

I want to make one or two further comments to emphasise the way in which the service that HMRC delivers is changing, and how that is impacting on the decision-making process, before I come to directly to the points about Sunderland. I am aware that I have a few minutes in which to do so.

Many customers now choose to telephone HMRC offices and staff or to use the internet to file returns or make claims, so it is right and appropriate for the organisation's senior management to look at all their operations to ensure that they are run as efficiently as possible. In some work areas, it believes that that need is best served by concentrating work, as I have described, in larger units where processes can be streamlined and improved. In other areas, a more mobile work force is seen as the best solution to meet customer needs. Finally, there must be an emphasis on improving compliance throughout HMRC by matching resources to the risks that it deals with in particular locations.

I want to emphasise some of the key commitments given by the Minister of State, Department of Health, my right hon. Friend the Member for Bristol, South (Dawn Primarolo), who responded to the previous debate. I am happy to confirm her commitment that, whatever the outcome of the review for the offices in which my hon. Friends have shown an interest, the inquiry centre in Sunderland will be maintained and the same level of customer service will be provided. The face-to-face opportunity will continue to be made available to the constituents whom my hon. Friends represent. Staff will not be required to move to an office beyond reasonable daily travel, and that test of reasonability will be rigorously applied.

*[Jane Kennedy]*

An established process for managers and staff to discuss options for their future employment, dependent on the outcome of the review, is open, transparent and accessible to the trade unions. I encourage my hon. Friends to consider the experience of staff in areas where the process has taken place and where a fair effort was made to meet the concerns and aspirations of staff who were affected.

Turning to Sunderland and the sustained case that has been made by my hon. Friend the Member for Sunderland, South and the organisations to which he referred, not least the local authority, the proposals to rationalise work and office space throughout Sunderland, Washington and Newcastle were put forward for consultation earlier this year. Staff, trade unions, Members of Parliament and local authorities all contributed to that consultation. Information on travel routes, economic interests in the locations—that is important—the position of other employers and Departments, as well as individual circumstances, will be taken into account. A report summarising those main responses was published in June, and we have listened to the further reaction to the report. I acknowledge the strong representations and I am aware of my hon. Friends' concerns.

Turning to the jobs that were created in 2005, as recently as 17 September this year the *Sunderland Echo* carried the story that Northern Rock may be unable to carry through its plans to bring a further 1,500 jobs to the area as a result of its recent difficulties. My hon. Friends' concerns are real, and I do not wish to minimise them in any way.

**Mr. Mullin:** The two responses that I quoted—one from the chief executive and one from the head of the arc—have come in since June, so they are not part of the document published in June, to which the Minister referred.

**Jane Kennedy:** I am aware of that, but their representations have been taken into account and considered as part of the review process. All the information that was provided during that consultation and since has been considered and will be reconsidered during the remaining week.

I want to take the opportunity briefly to outline some of the factors that have been considered. The three offices in Sunderland—two in the city centre and one on the outskirts—accommodate some 900 staff in total. Throughout the entire urban centre, HMRC expect to need approximately 4 per cent. fewer staff than they currently employ by 2010. That contrasts with a net reduction through efficiencies that we are requiring HMRC to achieve of around 25 per cent. since it was created. That is a measure of the high level of efficiency that already applies in the areas that we are discussing today.

Public sector jobs in Sunderland increased by more than 8,500, or 33 per cent., between 1997 and 2005. An analysis of the individual travel times for staff suggests a high degree of mobility between existing sites in the area that might allow staff to commute between them. In proposing to move to an efficient structure—notwithstanding my hon. Friend's comments about the purpose-built building that is being considered for closure—HMRC is confident that the majority of staff can be relocated with their own or similar work nearby. Overall, HMRC estimates that it has up to 40 per cent. too much accommodation throughout the UK, and the position is no different in this area.

I well understand the concerns of people who work in the area about the extra travelling time that might be involved for some if they are relocated to different offices, the availability of transport links from their homes, including private transport, and the A1. I would like to reassure the Chamber that individual members of staff will have the opportunity to discuss their circumstances with managers before any decision is taken on their suitability to relocate, and that that will be backed by a trade union supported appeal process.

Throughout the programme, senior management in HMRC are committed to being open with staff, to explaining the options available to individuals and to exploring how their expectations can be matched with the need to make the operations more efficient. However, I want to make it clear that those are not easy decisions, and they can be made only when all the facts are known.

With the exception of one year, I have been in government for nearly 10 years, and in almost every Department in which I have worked I have had to rationalise to some extent the estate for which I was responsible, so I am battle-scarred from dealing with those processes. I understand how traumatic they can be, and you may be amazed, Dr. McCrea, to learn that when I was first in the Lord Chancellor's Department, local magistrates courts suddenly became popular when proposals were made for them to be closed. I was the responsible Minister then. I appreciate hon. Members' concerns and I have a lot confidence in what I have seen of the process being followed in HMRC. The staff taking it forward are to be commended.

When decisions have been announced in this location, as elsewhere, HMRC will begin the process of relocation and release of its surplus accommodation according to the decision. That process will take some time, as individual cases and contractual commitments must be reviewed. As individual buildings are identified for closure, HMRC will publish an individual building impact assessment covering customers, staff, local communities and local diversity. HMRC is keen to match those skills and experience with its aims of achieving a more efficient operation and improving customer service. I welcome this debate as part of the Department's commitment to the process of consultation and openness. It is a long-term programme that will deliver a more responsive and efficient service for taxpayers and claimants, and I know that in the long run, my hon. Friends want us to achieve that.

*Question put and agreed to.*

*Adjourned accordingly at ten minutes past Five o'clock.*

# Westminster Hall

*Thursday 11 October 2007*

[MR. CHRISTOPHER CHOPE *in the Chair*]

## Human Rights

*[Relevant documents: Third Report from the Foreign Affairs Committee, Session 2006-07, HC 269 and the Government's response thereto, Cm 7127.]*

*Motion made, and Question proposed,* That the sitting be now adjourned.—*[Liz Blackman.]*

2.40 pm

**Mr. Christopher Chope (in the Chair):** As we have lost 10 minutes because of the Division in the House, we will be able to continue the debate until 5.40 pm.

**Mike Gapes** (Ilford, South) (Lab/Co-op): In introducing the report, I pay tribute to all those involved in the work of our Committee in producing our comprehensive human rights annual report for 2006, which was published on 18 April, and to those involved in producing the detailed response that we received from the Foreign and Commonwealth Office, which was published in June.

Inevitably, I cannot cover all the areas that we highlighted in our comprehensive report—I hope that my colleagues will pick up on some of those that I will not be able to touch on—but I want to begin by considering the way in which the Department deals with human rights issues. For some years, the Select Committee on Foreign Affairs has expressed concern about the double-hatting of the Minister with responsibility for trade and for human rights. We strongly welcome the fact that that arrangement is no longer in place. We now have a Minister who is responsible for human rights as well as other responsibilities, including the United Nations, and that is Lord Malloch-Brown, and his colleague the Under-Secretary, who is here today, also deals with human rights issues. The Trade Minister no longer wears that hat. That does not in any way cast aspersions on the efforts of the former Minister for Trade, who was also responsible for human rights, my right hon. Friend the Member for Makerfield (Mr. McCartney), who did an excellent job, but perception is sometimes important in politics and the perception of a separate Trade Minister and Human Rights Minister makes the distinction clear.

As a Committee, we have called over the years for modifications and changes in the way in which the report is presented by the Government when they publish their human rights report. We understand from the FCO's response to our report this year that the next report will not be published until March 2008, will be "more tightly focused" and will emphasise human rights in relation to the Government's strategic priorities, the international system and countries of key concern. Will the Minister reassure us that that will not mean that some of the more controversial issues will receive less attention in the round as it tries to concentrate on the generalities and that it will still have a clear, sharp focus on some of the most difficult issues of concern?

One major area of concern to our Committee is the way in which the United Nations human rights system works. Members will be aware that the Human Rights Council was recently established and that there was considerable hope that it might improve the way in which the international system dealt with human rights. Unfortunately, I do not believe that that is the case yet. Results are mixed and some countries are still using the council to pursue their own agendas rather than the cause of human rights internationally and in general. Unfortunately, countries that have a record of human rights abuse still serve on the Human Rights Council. The United Kingdom has a good record of pursuing human rights issues in the United Nations system, and that is still the case. Will the Minister update us on the Government's priorities in such matters and on how we can try to make the UN Human Rights Council more effective in the future?

Another issue for international concern highlighted not only in the report but in our more recent report on global security in the middle east is the use of cluster munitions. We welcome the fact that the British Government attended the meeting in Oslo to try to produce a treaty to ban all cluster munitions. The Government say that they are committed to that aspiration and aim. However, there are clearly difficulties, because some major countries that have and use cluster munitions did not attend the Oslo meeting. We have seen the indiscriminate use of large numbers of such weapons, as happened in Lebanon where the Israelis used large numbers of cluster munitions, particularly in the last 72 hours of the conflict in 2006.

We have discussed, debated and corresponded with the FCO about definitions of "dumb" or "smart" cluster munitions. Some of that is reflected in the reply to our report. More recently, in our middle east report, we produced further evidence about the issue. One of our main concerns is the high failure rate of many of the so-called smart cluster munitions. We believe on the evidence given to us during our middle east inquiry that failure rates could be as high as 10 per cent. In their response to that report, the Government said that they

"do not accept that failure rates of the UK variant of the M85 could be as high as 10 per cent."

They should tell us more about their failure rates and about what steps are being taken to reduce and ultimately to eliminate cluster munitions. Even if the failure rate is only 2.3 per cent., as they claim, that still means that people will be maimed, that children could lose their limbs and that agricultural areas will not be able to be developed because of the dispersal of such weapons. That is a matter of continuing concern to us.

There are other wide issues that I will not have time to touch on today, but I feel that I should at least mention them. A considerable part of the report talks about the US practice of rendition of prisoners, as well as about aspects of what was called at that time "the war on terrorism", and their implications for human rights in general. Another aspect touched on in another Select Committee report that was published over the summer was the controversy concerning the inquiry about Saudi Arabia and the al-Yamamah BAE Systems contract. I will not go into that in detail now, but I note that although the inquiry was stopped in this country,

*[Mike Gapes]*

the work of the US Department of Justice is continuing. I understand that that department has requested co-operation on that from the British Government. Our conclusion was that the UK's reputation had been damaged internationally because of those events and, as a Committee, we stand by that.

Another area that I want to mention is now more topical. When we published our report in April we pointed out the deteriorating human rights situation in Burma. We pointed to the repression of the opposition by the illegitimate military regime, the continued imprisonment of Aung San Suu Kyi and the way in which the Burmese regime was assisted by some countries in preventing the issue from getting up the international human rights agenda.

The British Government, our former ambassador to the United Nations, and others, have tried hard to put Burma on the international agenda, but China and other countries have consistently blocked it in the Security Council. Clearly, some countries, of which the UK is not one, have significant economic interests in Burma, including some European countries—Total, the French oil company, has been mentioned.

These issues are of great importance. Owing to the fact that progress has not been made through the UN, there is now discussion about a European Union strengthened sanction regime. Although that is welcome, it is also regrettable, because the UN and the international community as a whole should grasp the nettle of the appalling behaviour of the military regime in Burma, which includes the repression that we have seen all too vividly on our television screens in recent days.

**John Bercow** (Buckingham) (Con): I returned recently from a visit to the India-Burma border, and for as long as I live, I shall remember meeting a seven-year-old boy, who, at the age of three, was abducted by Government troops of the State Peace and Development Council, taken to a small, stone, cold room in the middle of an army camp and kept there in confinement for eight hours, without being offered food or water. That is just one example of the depths to which this despicable regime will sink in a bid to cling on to its ill-gotten gains. Does the hon. Gentleman agree that it is particularly important that international and multilateral action continues and accelerates, because what is taking place now, as we have seen in *The Independent* today, is an invisible savagery? The cameras have gone, but the monks and others are being brutally and savagely beaten, incarcerated and prevented from expressing the views of the masses of that beautiful but benighted country.

**Mike Gapes:** I am grateful to the hon. Gentleman, and I pay tribute to the work that he has done in this House over many years in order to highlight the situation in Burma. Clearly that regime is trying to cut off communication with the outside world in order to make it impossible for us to know what is really going on. We know that 10 people have died, but suspect that many more have done so of which we do not know. Certainly, hundreds, if not thousands have been brutally incarcerated.

Some countries have leverage, and I hope that the Government of China will use all of their endeavours, in every way that they can, to moderate and change the behaviour of the Burmese Government, to make them engage seriously with the United Nations envoy, Mr. Gambari, and to recognise that it is unacceptable, in the 21st century, for regimes to behave in this way. Those things happened quite often in the 20th century, but in the 21st century, and in a world of globalisation, economic relations and human contacts, it is not acceptable, even for countries that find it uncomfortable, because the rest of the world is watching.

During the run-up to the Olympic games in China next year, the rest of the world will be watching not just what happens in China but what happens in other countries, because the world will start to look at all of the flags and countries and say, "Well, where do those people come from? How do they live their normal existence?" I hope that China, which is a very important country and will be a major one this century, can use its influence positively.

I shall turn to some sad and difficult places in Africa, where, again, China has an important role, because of its economic power. It is the major purchaser of oil and raw materials from many African countries, from Zimbabwe to Sudan, Angola and many others. The situation in Zimbabwe continues to deteriorate. Members of my Committee strongly endorse the Prime Minister when he said that he will not attend the EU-Africa summit if Robert Mugabe is there. Indeed, that view was expressed by some of us yesterday when the Foreign Secretary gave evidence to us. Clearly there is a view among some people in other parts of the EU—I had an exchange with the Commission President, Mr. Barroso, over this matter in Lisbon on Monday at the Conference of Foreign Affairs Committee Chairmen—that those issues are not as important as others, and that they have to be put to one side. In reality, if Mugabe attends the EU-Africa summit, it will devalue the presence of others and send out the signal that we are setting aside important issues. That will undermine the case for human rights, for which we are campaigning.

I remind hon. Members that, in Zimbabwe, there is 7,000 per cent. inflation, and there are daily beatings and the repression of independent free trade unionists and opposition political figures. There was a rigged election, and the President is 82 years old and seems to wish to be President for life. That has to change. Many hon. Members will have had people come to their advice surgeries who have fled from the violence and repression in Zimbabwe, and we know that, because of our historical links, the regime in Zimbabwe tries to caricature our criticisms as being part of a neo-colonialist agenda. Far from it. We raise criticisms because the people in the Movement for Democratic Change, trade unions and human rights organisations, and brave figures in the Churches in Zimbabwe, ask us to do so, because their voices cannot be heard in their own country. They need the international community to speak for them. The European Union, too, has a responsibility to do that.

I shall touch also on the situation in Sudan. Hopefully, the negotiations due to take place in Tripoli in Libya in a few weeks' time will lead to a comprehensive breakthrough. Hopefully, before long,

the African Union and United Nations hybrid force will be deployed. That has been authorised under Security Council resolution 1769. However, it is important that that force can do its job and that it gets real support. I would like the Minister to tell us what concrete, tangible support the United Kingdom will give to that force in order to ensure that it can do the job of protecting the millions of people in Darfur who have been displaced, have fled, and suffered as a result of the violent behaviour of the Sudanese regime, the militias, the Janjaweed and others.

**John Bercow:** I know that I am trespassing on the hon. Gentleman's generosity, but does he agree—this is consistent with what he has just said—that the role of the force needs to be, to coin a phrase, proactive rather than reactive, and that essentially the international community should be seeking not a peacekeeping role, but a peace-enforcement mandate? That is very long-delayed.

**Mike Gapes:** I agree. The Committee's report does not go into the details of the concept of a responsibility to protect, of the UN high-level panel, and other matters. We dealt with those in other reports. However, the essence of the problem is that there are still some countries in the world that believe that we have no right to interfere in the internal affairs of other countries. That is a traditionalist agenda that, hopefully, is changing. The dilemma that we have had over Sudan, again, is that some countries in the UN and the African Union are not prepared to enable the development of an intervention that could make a real difference.

I hope that the politics are changing, that there will be agreement in Tripoli and that, therefore, there will be a political solution to the conflict, such as the agreement between the southern Sudanese and the north after many years of conflict. However, we cannot rely on that and we must recognise that it will take time to stabilise the situation. Some 200,000 people have died already, and 2 million have been left homeless. The situation requires serious and concerted action by the international community.

Finally, I shall touch on one other area, which the report does not highlight, but about which we should do more in the coming years. It is a conflict that is barely reported in this country. There are regular demonstrations outside Parliament by Sri Lankans protesting about the conflict and civil war in Sri Lanka, but there is almost nothing in our media about it. That may be caused in part by the appalling behaviour of one organisation in the conflict, blowing up buses and carrying out terrorist actions, which does not help to win international support or sympathy. However, it is not just the Liberation Tigers of Tamil Eelam—the Tamil Tigers—who are responsible for the conflict; the official Government forces have carried out some dreadful actions, too.

In Sri Lanka over the past year and a half, the situation has steadily deteriorated, and many tens of thousands of people have suffered. It is estimated that more than 300,000 people have had to leave their homes since August 2006, and that 100,000 have been displaced since March. The situation is very serious, and the international community should do far more. Sri Lanka's neighbours—India, in particular—could use their influence, but the issue must be pushed up the international agenda.

We know from many other conflicts that one cannot solve them purely by military means; one must engage in political processes. In Sri Lanka, there was a political process that came to a kind of agreement, but then it broke down. We need the international community to re-engage with the situation, and given that our country has had a relationship with Sri Lanka, both as a colony and subsequently, we have some influence there. I hope that the Government will do far more to end the conflict.

I have spoken for about 20 minutes, with some interventions, and I know that several Members wish to speak. Human rights are not an add-on; they are an essential part of our country's policies—not just of our foreign policy. When an individual in this country makes a decision to go on a package holiday, and they choose a country where a repressive regime uses the foreign currency that is spent, there are consequences. I was recently involved in an altercation about Burma with a figure from the travel industry. His claim that people who went on holiday to Burma might be able to report on what was going on there struck me as one of the most bizarre arguments that I had heard for a long time. I can hardly imagine the Burmese military regime allowing people to go up to the north of the country where the monks have been taken in chains and locked up.

We must push these issues up the agenda. All of us must think about what we can do to help to improve human rights not only in our own country, but throughout the world.

3.4 pm

**Sir John Stanley** (Tonbridge and Malling) (Con): I am pleased to follow the Chairman of the Committee, the hon. Member for Ilford, South (Mike Gapes), and I congratulate him on his successful leadership of the Committee through to a unanimously agreed and important report. Like him, I shall cover a number of topics, and although throughout the debate our treatment of the issue might appear to be spasmodic, it has as its underlying theme human rights and their universality. That universality must be constantly stressed, particularly against regimes throughout the world who think that, as far as the involvement of other countries is concerned, human rights can be dismissed on the ground that they are internal matters from which the external community should be excluded. That, of course, is totally contrary to the United Nations Vienna declaration on human rights. The ringing opening sentence of article 5 must be constantly restated to such countries. It reads:

> "All human rights are universal, indivisible and interdependent and interrelated."

I shall start with the occupied territories, and particularly Gaza, although what I have to say about Gaza applies, to a lesser extent but with considerable force, to the west bank and east Jerusalem, too. Sadly, Gaza is now one of the great human rights scandals in the world. Approximately 1.25 million people are effectively imprisoned there, with little, and in some cases no, ability to get out. In some respects, the situation is worse than being in prison, because some key elements of life—access to power, and certainty of water and food supplies—have been severely and dangerously reduced. Sadly, that is a result of Israeli

*[Sir John Stanley]*

Government policy, which has in part been based on carrying out serious attacks on the basic infrastructure of Gaza. That policy is most certainly morally wrong. It is not right to deprive innocent women and children, and the overwhelming majority of peaceful and law-abiding civilian males, of the basic necessities of life in the pursuit of terrorists. It is not merely morally indefensible but politically crass.

The key element in dealing successfully with terrorism, as we learned over many decades in Northern Ireland, and as we still learn today inside the United Kingdom in trying to deal with the al-Qaeda terrorist threat, is to deal with the small minority of terrorists separately from the rest of the civilian population. That is the key policy requirement. If in Northern Ireland the Government had launched attacks on the basic infrastructure of the Catholic areas in Belfast or Londonderry, the political consequences would have been absolutely catastrophic. They would have left us light years away from the political settlement that we have finally achieved.

The Government recognise the immense dangers of such a policy. At the opening of their response to our report, they say, at paragraph 78:

> "The Government, together with our European partners, has worked tirelessly and creatively to ensure that the Palestinian people do not pay the price of Hamas' failure."

Although the Government make that statement and believe it, I am sure, sincerely, it is not good enough to do a sticking-plaster job through our aid programme in order to meet the basic needs of the Palestinian people in Gaza. The only way in which that intention will be delivered is by securing a fundamental change in Israeli Government policy. That requires the Israeli Government to recognise that although they are perfectly entitled to deal with Hamas terrorists and Hezbollah terrorists to the north—indeed, they would have the law-abiding world, including our own Government, behind them—that must not affect the needs of the overwhelming, law-abiding majority of the civilian population. The Israeli Government's policy towards those people should be absolutely the reverse and should concentrate on winning hearts and minds.

That same policy—the correct policy—is the one that we have been following in Afghanistan with a fair degree of success, even in Helmand province, which is the area of greatest security difficulty. Although the Committee's report rightly acknowledges that we have a huge way to go in establishing basic human rights in Afghanistan, the Government could and should do far more to emphasise the success that we have had and continue to have in promoting human rights in Afghanistan.

Several members of the Committee, including myself, were able to go to Afghanistan just over a year ago. We were all struck, yet again, by the number of women who were going out and doing professional jobs, which would have been impossible and unacceptable when the Taliban were in power. We were also struck by the significant number of women MPs in the Afghan Parliament, and we had a meeting with them. We were struck, too, by the number of girls who are now, mercifully, being allowed the education that they were denied by the Taliban. When we saw Education Minister Atmar, we were delighted to hear him refer to the way in which the British forces in Helmand province had re-established schools that the Taliban had burned down simply for allowing girls to have an education.

Such developments are very encouraging, and the Government could and should do more to bring home to the British people the fact that we are fighting in Afghanistan not only because we want to prevent the Taliban from coming back, as they most certainly would if we were not there—all the severe security perils that that would involve would take us back to before 9/11—but because Afghanistan is the front line for human rights and particularly for women's and girls' rights. Let us keep saying that.

I also want to refer to Zimbabwe. I have been fortunate enough to go to Zimbabwe over a number of years, both before Mr. Mugabe came to power and since. Sadly, Zimbabwe is a mass human tragedy. It is one of the most well-endowed countries in Africa, with tremendous agricultural wealth, mineral wealth and unrivalled tourist opportunities, but it has now been reduced to a wreck, other than for Mr. Mugabe and his cronies. Hundreds of thousands of people have been turned into refugees and millions have been reduced to destitution.

I looked again at the Committee's report and the Government response, and I have to say that I am not particularly proud of either. Year by year, we have been going through similar motions, uttering words of condemnation and asking the Government to do more at the UN and other international bodies. The Government have replied with similar words of condemnation, saying that they have been having meetings and talks and that they have been doing their best. In the meantime, everything has been getting worse.

We have, however, had one new breakthrough. As I told the Foreign Secretary at the Committee's meeting yesterday, I warmly applaud the Prime Minister on making it clear that he will not go to the EU-Africa summit to rub shoulders with Mr. Mugabe. However, I was saddened, although not at all surprised, when I asked the Foreign Secretary how many other EU Prime Ministers will be taking the same stand. He had to reply that he was not, sadly, aware of any other Prime Minister who was going to take the same position.

I have a policy point—indeed, a recommendation—for the Minister and the Government. I have been looking back through my files. Two years ago, I had a correspondence with the then Minister for Europe, who is now the Secretary of State for International Development, about the ambit of international criminal law. He noted that, as things stand, unless somebody is guilty of something that falls within the definition of a war crime or crimes against humanity, they are outside the ambit of international criminal law. Should this country and the Government therefore consider whether the ambit of international criminal law ought to be widened somewhat to bring within it those who carry out outrageous, appalling mass human rights violations that, under the present definitions, fall just below the level of crimes against humanity? That is a serious and significant question of policy, which needs to be addressed.

If an individual in this country treated another individual in the way that Mr. Mugabe treats millions of his subjects, it would be a matter for a criminal prosecution,

as it would under the criminal law of most other countries. If that is the situation for individuals, we must ask whether it does not represent reasonable and necessary grounds for extending the ambit of international criminal law to deal with political leaders who behave in a way that utterly defies and denies human rights and imposes huge suffering on their peoples.

I ask the same question in relation to the military junta in Burma, and the same issue of policy arises in relation to its members. The military junta's stock in trade is to smash up, jail and torture—even to death—people who have simply indulged in wholly peaceful demonstrations. Such unacceptable conduct makes the case for giving serious consideration to widening the ambit of international criminal law.

The hon. Member for Ilford, South referred to cluster bombs, and I very much applaud the Government for the Defence Secretary's announcement on 20 March that this country will be the first to announce an immediate ban on the use of dumb cluster bombs by its own armed forces. It would be reasonable to say that that announcement came after a fair degree of vigorous prodding by this Committee and the Quadripartite Committee, but it was none the less a significant step forward on the part of the Government, and I congratulate them on it.

However, the Government's response to the Committee's present report and to its report on global security and the middle east raises another point. The Government have acknowledged that, even with our own UK version of the M85, there is a 2.3 per cent. failure rate. We were told—I was there to hear it—by the UN experts engaged in the fantastic cluster bomblet clearance operation in southern Lebanon, when we were there in March, that they were experiencing a failure rate of 10 per cent. I have every reason to think that the failure rate of other countries' cluster bombs—so-called smart cluster bombs, which in this case were the Israelis' cluster bombs—may be significantly higher than that of the ones used by the UK's armed forces.

I reiterate the point made by the hon. Member for Ilford, South: if cluster bombs are used in any great volume, given the large number of bomblets per bomb, even a 2.3 per cent. failure rate means a significant amount of live, undetonated munitions lying around in fields, grass and hedgerows, often with coloured markers on them, so that they are attractive to children, whom they will maim or possibly kill if they come into contact with them. I hope that the Government will give serious consideration to the Committee's view that we should see whether we can bring about a total ban, including a ban on smart cluster bombs, unless we can produce technology that makes them not less than 100 per cent. safe—in other words with self-detonation that is guaranteed to work every time.

**Jeremy Corbyn** (Islington, North) (Lab): I agree with what the right hon. Gentleman says about cluster bombs. Did the Committee consider at all the similar residue effect of depleted uranium weapons, with fallout from localised burning that takes place if such a weapon is used, and the consequent health problems, which have certainly occurred in southern Iraq in relation to the war in 1991?

**Sir John Stanley:** I do not recall that we considered depleted uranium in the context of the report before us today, but if my memory serves me well we considered it in our reports following the war in Kosovo, when there was acknowledged use of DU munitions, including by the RAF and the United States Air Force.

May I finally turn to one small but not insignificant matter? It is not referred to in our report, so I shall quite understand if the Minister gives a written answer. It is the failure, still, of the EU to ratify the 1996 Hague convention on the international protection of children. That is a child protection convention of enormous importance, with the potential to be of real benefit to children around the world. Although it entered into force in January 2002, it is, well over five years later, still unratified. As the Minister may know, the only reason why it is not ratified—it is appalling to relate it—is that it is tangled up in the spat between Britain and the Spanish Government over how it should be implemented in Gibraltar. It is scandalous that a worldwide convention of prime international importance to children should be held up in ratification as a result of the British and Spanish Governments' inability to agree its operation in Gibraltar.

Nearly a year ago, on 17 October, I received an answer on that point from the then Minister for Europe, the Secretary to the Treasury. He ended his answer with this sentence:

> "Negotiations are consequently at an advanced stage and we hope that a final agreement will be reached over the next month."—[*Official Report*, 17 October 2006; Vol. 450, c. 1183W.]

Almost a year has elapsed and unless the convention has been ratified in the past few days—I am not aware that it has—it scandalously remains unratified. I ask the Minister to give that matter her urgent attention.

In conclusion I want to mention the late Robin Cook, who spoke of his intention to conduct an ethical foreign policy—a phrase that came in for a certain amount of derision, whether fairly or not. As a result of his initiative, the British Government's Foreign Office began, for the first time, to produce an annual report on human rights. That is a profoundly important initiative. I am delighted that the Foreign Office continues to take it very seriously, as 356 pages of the 2006 report—I think that I counted right—bear witness. We on the Foreign Affairs Committee take it seriously. I hope that it will continue to be the policy of the Government, and I am sure that it will continue to be the policy of the Foreign Affairs Committee, that human rights should continue to be a key focus of our attention.

3.25 pm

**Keith Hill** (Streatham) (Lab): I am very pleased to speak for the first time in more than nine years as a Back Bencher under your chairmanship, Mr. Chope. I congratulate the Foreign Affairs Committee on their excellent report and my hon. Friend the Member for Ilford, South (Mike Gapes) on his presentation of it. I do not intend to detain the House for long, partly because other hon. Members will be anxious to speak and partly because I want to raise an aspect of human rights in China. China is referred to in the report, but I am well aware that it was only six months ago that the

*[Keith Hill]*

House debated the FAC's report on east Asia in this Chamber and that China was the main focus of that debate.

The issue that I want to raise is the persecution of Falun Gong practitioners in China and, in particular, the horrendous allegations of the systematic and organised harvesting of their bodily organs. I raise those shocking matters at the instigation of my constituent, Ms Youyan Li, and especially after my meetings with her elderly parents. I may mention their names because they are now safely settled in Australia: Mr. Baoging Li and Mrs. Jinghang Liu. They are both Falun Gong practitioners. Both were arrested several times in China. Mrs. Liu was forcibly subjected to blood tests and other forms of medical examination, which we believe were the preliminary stages of organ harvesting.

The persecution of Falun Gong practitioners is well attested. Amnesty International reported in 2001 that the Chinese Government had adopted three strategies to crush Falun Gong: violence against practitioners who refuse to renounce their beliefs; brainwashing to force all known practitioners to abandon and denounce Falun Gong; and a media campaign to turn public opinion against Falun Gong. Manfred Nowak, the UN special rapporteur on torture, reported in 2005 on the alleged ill treatment and torture of thousands of Falun Gong practitioners. The US State Department's country report on China, for the same year, indicated that the number of Falun Gong practitioners dying in custody was estimated to be between a few hundred and a few thousand.

What is this Falun Gong that attracts such violence from the Chinese authorities? It appears to be a spiritual technique based on traditional Chinese breathing exercises. It includes such exercises, plus meditation and certain moral principles derived from Buddhist and Taoist teachings. Among other things, its practitioners are guided by concepts that translate as truthfulness, benevolence and forbearance. Falun Gong is not an organised movement. It has no members, just adherents. It has no political platform. It seems to attract middle-aged, middle class people rather like my constituent's parents, both retired and both former award-winning scientists.

Why, then, is the repression of Falun Gong so violent—so particularly virulent? The answer is perhaps twofold. First, there is the scale of the movement. By 1999, when President Jiang Zemin outlawed Falun Gong and set up the notorious "610 office" to lead the repressions, the number of practitioners ran into the millions. In Beijing alone, there were more than 2,000 practice stations. Secondly, its value system—truth, tolerance, forbearance—was presumably seen as a challenge to the corrupt and ideologically bankrupt Chinese Communist party.

Will Hutton, in "The Writing on the Wall", his new and rather good book on China, writes:

> "Although the Falun Gong is regarded in the west as a harmless creed that should not be persecuted, its attraction and threat must not be underestimated. It is seen by both the party and many of its adherents as offering an idealism that the party lacks."

Nevertheless, the case remains that Falun Gong is just a value system and a way of living. Its persecution by the Chinese authorities is quite indefensible, as is the entire record of Chinese human rights abuse against Tibetans, Christians, Uighurs, democracy activists and human rights defenders. However, the charge against the Chinese Government of the mistreatment of Falun Gong practitioners is more serious still. It is the charge of harvesting healthy organs to supply a transplant industry that has expanded greatly in China in recent years and been enormously lucrative for the hospitals and surgeons practising in it.

I wish to acknowledge the work of two Canadians, David Matas and David Kilgour, whose reports on allegations of the organ harvesting of Falun Gong practitioners in China, published in July 2006 and January 2007, will form the main source material of most of my subsequent remarks. In May 2006, David Kilgour interviewed a woman using the pseudonym Annie, who said that her surgeon husband had told her that he had personally removed the corneas of approximately 2,000 anaesthetised Falun Gong prisoners in Sujiatun hospital in Shenyang City, in north-east China, during the two years before October 2003, at which point he refused to continue. The surgeon made it clear to his wife that none of the cornea "donors" survived, because other surgeons removed other vital organs and all the bodies were then cremated.

Annie, it should be emphasised, is not a Falun Gong practitioner. Indeed, it has been put to me that for many, if not most, Falun Gong practitioners, the most direct evidence of the practice of organ harvesting comes from a non-Falun Gong source. For obvious reasons, there is a veil of silence over the practice: the dead cannot speak and neither can their families, because it appears that large numbers of Falun Gong prisoners decline to identify themselves in order to protect their families. Members of that population of unidentified prisoners can therefore simply disappear without anyone outside the prison system being any the wiser. And who, among the surgeons and medical staff, would admit participation in the transplants of organs from the living bodies of Falun Gong prisoners, particularly considering that many operations are carried out in military hospitals by surgeons wearing military uniforms, their silence reinforced by military discipline?

According to public reports, in the six years before the ban on Falun Gong in 1999, the number of transplants in China averaged 3,000 a year. In the six years from 2000 to 2005, they averaged 10,000 a year. Where did the increase come from? Not from family donors—there appears to be a deep cultural aversion in China to organ donation. It is estimated that at least 98 per cent. of organs for transplants come from non-family sources. Nor did the increase come from executed criminals. China, of course, executes more criminals than the rest of the world put together. There are still more than 90 capital offences, including political and economic crimes in which there has been no violence. The Chinese Government have themselves acknowledged the use of prisoners sentenced to death as a source of organs for transplants.

The use of capital punishment and the harvesting of the organs of executed criminals—obviously without their consent—are both to be condemned wholeheartedly, but they do not explain the increase in the number of transplant operations since 1999. According to tabulations based on Amnesty International reports, the average number of executed criminals in each of the six years to 1999 was 1,680; in the six years from 2000 to 2005 it was 1,616. There has to be another source. The increase cannot be explained by improvements in technology, because the Chinese were perfectly able to do transplants in the 1990s. It is true that there has been a big new investment in transplant centres. There were only 22 liver transplant centres operating in China before 1999, and there were 500 in mid-April 2006. That investment expanded capacity, but it did not expand the source, nor does it explain why the websites of Chinese hospitals have been able to advertise waiting times for kidney transplants of one, two or at most four weeks. By contrast, the average waiting time is 27 months in the UK and just over three years in the United States.

The Canadian investigators, Matas and Kilgour, were unable to visit China. However, they used Mandarin speakers to call hospitals and transplant doctors and ask about transplants. Sometimes the callers were referred to prisons or courts. I wish to quote a passage from the report. It states:

"In early June, 2006, an official at the Mishan city detention centre told a telephone caller that the centre then had at least five or six male Falun Gong prisoners under 40 years of age available as organ suppliers. A doctor at Shanghai's Zhongshan hospital in mid March of 2006 said that all of his organs come from Falun Gong practitioners. A doctor at Qianfoshan hospital in Shandong in March implied that he then had organs from Falun Gong persons and added that in April there would be 'more of these kinds of bodies...' In May, Dr. Lu of the Minzu hospital in Nanning city said organs from Falun Gong practitioners were not available at his institution and suggested the caller call Guangzhou to get them. He also admitted that he earlier went to prisons to select 'healthy Falun Gong persons in their 30s to provide their organs."

There are only two kinds of witnesses of organ harvesting, but the victims die and what remains of their bodies is burned, and the perpetrators are unlikely to confess. However, I am convinced that there is sufficient evidence to establish a strong case that organ harvesting from Falun Gong practitioners exists.

I conclude by referring to the experiences of my constituent's mother, Mrs. Jinghang Liu. She is 66 years of age and was arrested six times and sentenced to three years' imprisonment. She is now an Australian citizen. In August this year, she wrote to Prime Minister Howard to ask him to raise the issue of the persecution of Falun Gong practitioners when he met President Hu Jintao at the Asia-Pacific Economic Co-operation summit. Mrs Liu wrote:

"In the end of 2000, I was taken to the prison hospital along with four other Falun Gong practitioners. We were forced to take medical examinations under the threats of electrical batons. The exams were comprehensive, including blood, X-ray, urine and optical tests. At that time, I wondered about the purpose of the exams because it obviously was not driven by concern about Falun Gong practitioners' health. But I just couldn't figure it out.

During my detention, I also witnessed a large number of Falun Gong practitioners who refused to give personal details".

She wrote that they

"were numbered and transferred to unknown places. One day a young female practitioner who was in the same cell with me was called out. She never came back. She had a fair and pretty face with long braids. She was an artist."

In July 2006, a law banning the sale of organs in China came into effect. Since the publication of the Matas and Kilgour reports last year and this, it appears that the number of transplants has come down significantly. However, we have reason to believe that the practice of organ harvesting continues; if it does not, it is for the Chinese authorities to prove that that is the case. They should allow independent, third-party investigations in China and I very much hope that the British Government will press for that in their discussions with the Chinese authorities. Let us be clear: harvesting the organs of unwilling donors is a crime against humanity and it is for the Chinese to take action to end this evil. The repression, imprisonment and mistreatment of Falun Gong practitioners should also cease. I hope that, in their dialogue with the Chinese on human rights, Ministers will press for an end to that persecution.

3.41 pm

**Mr. Greg Pope** (Hyndburn) (Lab): I congratulate my right hon. Friend the Member for Streatham (Keith Hill) on his return to the Back Benches. He made an important, telling and moving contribution and I am sure that the Minister will take that away.

I shall discuss human rights in China, but I should first like to associate myself with what my hon. Friend the Member for Ilford, South (Mike Gapes) said about Burma and the despicable, tyrannical regime there. I shall not repeat what he said, but I closely associate myself with his remarks.

I should also like to associate myself with the comments of my colleague on the Foreign Affairs Committee, the right hon. Member for Tonbridge and Malling (Sir John Stanley), and particularly with what he said about Israel and Palestine. He and I have visited that area several times in the past few years, and every time he has spoken in these debates, he has done so with great passion and intelligence, so I am very pleased to be associated with what he has to say. When I was in Gaza last year, the situation was absolutely shocking. When one moves around the west bank and sees what the road closures are doing to the Palestinian economy, it is hard to think that it is somehow justified by the terror threat. One can say that without for one second having any time or support for the suicide bombings, which, I am sure, every hon. Member would condemn out of hand. The behaviour of the Israeli authorities in the occupied west bank is making that situation worse, not better.

I welcome the Foreign and Commonwealth Office annual human rights report, which is now in its 10th year. It has improved hugely in those 10 years and is now a detailed, accurate and authoritative document that makes a big contribution to the debate on human rights and how to tackle human rights abuses around the world. I place on record my thanks to the FCO officials who work on the report. They clearly have a strong commitment to human rights, and that shines through in the document.

*[Mr. Greg Pope]*

While I am being nice to people who work for the FCO, I also place on record my observation that, when I go abroad with the Foreign Affairs Committee and we visit our embassies and high commissions in other countries, it is clear that human rights are not being shoved into a separate compartment on their own, but are a thread that runs through the work of many of our diplomats. That is to be commended.

We have had a wide-ranging debate, but I want to make my comments brief and narrow. I shall address three issues, the first of which is human rights in China. I have raised this issue before and make no apology for raising it again, because the People's Republic of China has the unenviable record of being the world's No. 1 human rights abuser. In terms of judicial executions, as far as we can tell, it executes more people than the rest of the world put together, but it is difficult to come to a definitive figure on how many people have been executed. The last time I researched it, we came up with the figure that 10,000 people had been executed in a single year in China, but it is difficult to know because, as my right hon. Friend the Member for Streatham demonstrated, many of them take place in extraordinary situations and in great secrecy.

The lack of transparency in the judicial process is a main concern. Torture is widespread and an instrument of state policy. The judiciary is not independent. Re-education through labour is commonplace. Prisoners are treated badly and, as we have heard, the harvesting of prisoners' organs is all too prevalent. Human rights violations are widespread in the People's Republic of China.

Against that backdrop, we have our bilateral human rights dialogue with China and the EU-China dialogue. Last year, the Foreign Affairs Committee concluded that progress in those dialogues was "glacial". The then Foreign Secretary disputed that in her response, saying that progress had been "incremental". I shall not bore hon. Members with the semantics of the difference between glacial and incremental, but perhaps we can all agree that that progress on human rights in China has not been rapid or great. Human Rights Watch said that the dialogues were "not a success", and Amnesty International, like the Committee, has called for specific benchmarks to be published in advance of the dialogues so that we can all see what progress is being made.

In their response to the Committee's report, the Government and the FCO said that the Government are

> "working to improve the transparency of our work on human rights in China and will shortly be inviting the Committee to a discussion on this."

I might have missed it, but I would be grateful if the Minister updated us as to where we are with involving the Committee in improving the transparency of that work.

I have some other, specific questions for the Minister. The next round of the EU-China human rights dialogue is later this month: will she tell us what the EU's objectives are? I accept that she might not have that information to hand, so perhaps she could write to us. In respect of our bilateral dialogue with China, will she tell us how many objectives the UK Government had in the last round and on how many of them progress has been made? Many hon. Members are concerned that we are not making sufficient progress.

**Jeremy Corbyn:** While my hon. Friend is talking about China, will he say something about Tibet and what happened when that issue was raised in China, unless he was going on to do that anyway?

**Mr. Pope:** I am grateful for that intervention, but I am not the best-placed person to respond regarding Tibet. During the Committee's visit last year, we split into two delegations, one of which went to Tibet and will be very well informed about what is, as far as I can see, a pretty appalling human rights situation there, but I was in the other leg, which visited Shanghai and Beijing, so I cannot comment in great detail. Perhaps others will.

On that trip, when I was watching BBC World, which was the only English-language TV programme in my hotel, there was about to be an item on the 40th anniversary of the cultural revolution when the transmission was simply cut off. Ten minutes later, when the item, which was obviously going to cause offence to the Chinese Government, concluded, the transmission came back on. Leaving aside that it might be tempting, if the British Government closed transmission of the BBC every time it was critical, it would certainly curtail the BBC's coverage of British politics. The truth is that such actions underline the paranoid and secretive nature of the regime in Beijing. There are ways that we could counter them. Information is a great tool and open access to the internet and mobile telephony are important to people who are fighting for human rights. I hope that the Minister will agree that the behaviour of some of the providers of internet services in China has been nothing less than pusillanimous. They have caved in to pressure on restrictions to internet access. There are many internet cafés, certainly in the cities, where one can access the internet, but one cannot have free access to the internet in China, and that is a disgrace.

I would like to say a few words about Guantanamo Bay. My hon. Friend the Member for Ilford, South, the right hon. Member for Tonbridge and Malling (Sir John Stanley) and I had the dubious distinction of being some of the very few British citizens who have seen the inside of Guantanamo Bay when we visited it a year ago. It must now be clear to everyone—even to President Bush—that the very existence of Guantanamo Bay and the fact that detainees are held there without due process fatally undermine the moral authority of the United States in particular. To be honest, they also tarnish the reputations of US allies in the long-running conflict with al-Qaeda and the Taliban. I am pleased that the Government have said that Guantanamo should close, and that it should close soon. They should reiterate that today.

We discovered a couple of interesting things about Guantanamo Bay when we visited it. I was surprised by the appearance of the built environment. My mental image was of razor-wire cages out in the open, whereas in fact it looks much more like a modern maximum security prison. Indeed, the Select Committee visited the maximum security wing at Her Majesty's Prison Belmarsh for a comparator to see how similar or

dissimilar the facilities were. We were struck by the fact that the cells and buildings look remarkably similar, certainly those in the more modern parts of Guantanamo.

The important thing to come away with was not the similarities but the differences. In Belmarsh, terrorist suspects and convicted terrorists have access to visitors, newspapers, television, radio, lawyers and due process, and they have a release date. In Guantanamo, none of those things applies. People are held in a kind of limbo, often even without any real access to exercise. One can only speculate on the psychological trauma that must be caused when one is held somewhere without any access to family or friends, without any thought that there could be some kind of judicial appeal mechanism and without a possible release date in sight. It must be incredibly damaging.

I agree with people who only ever say about Guantanamo, "It must close, it must close", but we must face up to the fact that it is actually quite difficult to close it. I am sure that some of the people inside Guantanamo are innocent—that is an even more appalling prospect—but some are not. Some are hardened terrorists who were rounded up trying to kill coalition forces on battlefields in Afghanistan. Deciding where they can be released is not straightforward. They cannot be released to Afghanistan, where presumably they would go back to trying to kill coalition forces. In many cases, they cannot be released to their country of nationality, where they would face torture and possibly execution. There is a responsibility on those of us who have been critical of the US for the existence of Guantanamo to face up to that practical difficulty and to work with the international community to find a way through it, thereby enabling Guantanamo to close down.

My last point is about a country that I am fairly confident nobody else will mention. These days, not many people would think that it has a human rights problem. In truth, Nicaragua has friendly relations with the UK and it holds free elections. The last elections were held in November last year, when Daniel Ortega was elected president again.

I visited Nicaragua just a couple of weeks ago with my hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle). We were impressed by the friendliness of the Government and the people, but, at the request of the British embassy in Costa Rica, from where the UK conducts diplomatic relations with Nicaragua, I visited the police holding cells in Bluefields, which is on Nicaragua's eastern seaboard.

The cells form part of a prison compound and there I found a cell of remand prisoners. The cell was designed for a maximum of 10 prisoners. At the time I visited, there were in excess of 30 men in it. They told me that recently there had been as many as 50 men in the cell. There was little or no sanitation and the heat was extreme. The day I was there the temperature was well in excess of 40°. The prisoners told me that they had only one hour of exercise away from the cell—not each day but each week.

The conditions were intolerable. I do not blame the police guards. To be honest, they were doing their best in intolerable circumstances. They were quite open about showing us around, because they wanted the situation to be raised. They were no happier guarding prisoners in such circumstances—perhaps they were slightly happier—than the prisoners were themselves.

Will the Minister raise the issue with our friends in the Nicaraguan Government? There are problems with their judicial system, but the holding cells were an absolute disgrace. They are a stain on the otherwise good reputation of the nation. There were people in the cells as young as my 16-year-old son, and the situation does not bear thinking about.

I hope the Minister will agree that one of the benchmarks of a civilised society is not how we treat citizens who are able to go about their normal lives but how we treat people who are in captivity. They deserve to be treated with some dignity, but those people were not receiving such treatment.

3.57 pm

**Jeremy Corbyn** (Islington, North) (Lab): I welcome this debate, the Select Committee's report and the response from the Foreign Office. It is a tribute to the late Robin Cook that annual reporting was set up in 1997 and has continued since. It is important that we continue having such reports, and I pay tribute to those who worked so hard on this one.

In a debate like this, it is not difficult to find something to talk about. It is quite difficult to find subjects not to talk about, because there are so many that one could raise. I wish first to discuss what I hope Members will agree is an important issue: the modality of dealing with human rights issues in a global sense.

There is a western view of human rights which is that, in essence, they centre around individual rights of association, assembly, free speech, religious persuasion and so on. It is sometimes uncharacteristically and rather unfairly put against what is termed an eastern view of human rights, which is all about the collective good of society as a whole. I do not think that that is necessarily a valid or particularly important debate, but it comes up quite often.

It is important that individual national Governments and Parliaments such as our own take up human rights issues and promote them. Indeed, I have spent a great deal of time during all my years in the House doing that as vice-chairman of the all-party group on human rights. Nevertheless, it is the international institutions that are important. I note the comments by the Select Committee, the Foreign Office and, indeed, Amnesty International and others on the operation of the Human Rights Council in Geneva, and on whether we are happy with its operation or whether it could be improved to some extent.

In the past, I have attended meetings of the council. Some of them have been incredibly long-winded, detailed and ineffective in dealing with anything. Debates go on for several days and appear to have no beginning, end or resolution. However, other parts of the council's work are very important. For example, the appointment of special rapporteurs for particular places and issues around the world enables the issues to be raised and a debate to take place.

I would like a response from the Minister—she may prefer to write to me—about the role of civil society and non-governmental organisations within the UN system. That system was set up after the second world war and specifically recognises that civil society as a

*[Jeremy Corbyn]*

whole has a right of representation on UN bodies and institutions. That is accepted through the Economic and Social Council and other forums, and certain non-governmental organisations enjoy special status within the UN. I am not complaining about that, but when it comes to the Human Rights Council, it is particularly important. For people who live in countries with an oppressive regime or where the nature of society is oppressive—the Government in question may not be repressive, but the nature of society may be oppressive against individual rights—the role of a non-governmental organisation in its international representations, and its ability to speak internationally and to question what its national representatives are doing internationally, is important and powerful.

When Louise Arbour came here to discuss the establishment of the Human Rights Council and what went with it, I raised with her the specific question of the role of non-governmental organisations. To be fair to her, I received the positive reply that she recognised their value, the facilities that they need and so on, and that they would be protected within the new Human Rights Council system.

I now find that the amount of time that NGOs have to speak in Geneva is often curtailed. Frequent changes to the agenda mean that it is difficult for NGOs from distant places even to know when their item is likely to come up. It might not be too difficult for a British-based NGO to get a flight to Geneva and back because the trip can be done in a day, so if something is coming up, the NGO can go there, but a human rights group from Colombia or Asia cannot do that. It may have to be there for several weeks at a time, which is expensive, and it might not have an opportunity to say what it wants to say. My plea is that in our participation in the Human Rights Council, we ensure that civil society and non-governmental organisations are represented and given opportunities to speak there.

I recognise, as Kofi Annan said in his response to one of the investigations into the UN's operation, that some NGOs should not bear that title and masquerade as something that they are not. They may be representatives of Government, and the number of commercial organisations masquerading as NGOs seems to be increasing. The issue must be addressed and resolved, but I hope that we do not destroy the possibility and importance of that representation just because some people abuse the system.

I welcome self-reporting by each member state of the Human Rights Council. I believe that they have half a day every three years to say what their record is and how that reporting takes place, and to be questioned. That is welcome and I would like the Minister to give a commitment that we support that process and that it will continue in any review.

**John Bercow:** I see the merit in the hon. Gentleman's suggestion, but given that some of the self-reporting regimes would be engaged in the most disgusting, self-serving hypocrisy in the process because of the nature of their regimes, does he agree that alongside his point about NGOs, there might be something to be said for constructing formal machinery to allow organised opposition groups in tyrannical states to present their findings for formal consideration?

**Jeremy Corbyn:** I do not disagree with the hon. Gentleman, and we are not far apart on that. My point about NGO representatives covers that point. An NGO from a country that is oppressing a particular minority would have difficulty expressing that view in its own country, but it might be represented in Geneva and make its point through another NGO group, such as the World Council of Churches. If countries self-report on their situation they should be open to questions and criticism by other countries, NGOs or civil society representatives. That is important.

Governments are not always keen to discuss some issues, and that applies to all Governments. A lot of people had to make a massive effort to ensure, for example, that the millennium summit in Durban in 2000 even discussed discrimination by caste and descent, such as that against the Dalit people. No one, but no one, wanted the matter to be discussed because it was too big, too embarrassing and too complicated. That is why there must be an opportunity for civil society to be represented at UN forums.

The Select Committee's report rightly draws attention to the embarrassment of the UK's suspension of the investigation into the al-Yamamah arms deal and the problems of our then proselytising around the world about anti-corruption. Everyone is against corruption and the vote on that is always unanimous, but sometimes something needs to be done about it. I compliment the Select Committee on the deft words and choice of language in its conclusion, and I hope that the Minister understands that it is embarrassing to talk about corruption elsewhere in the world when it is well known that a corruption inquiry in this country was suspended without its final conclusion being known. We should draw attention to that.

Like my hon. Friend the Member for Hyndburn (Mr. Pope), I find it difficult to restrict myself to a small number of subjects, and I want to mention a couple more. I was part of an Inter-Parliamentary Union delegation three weeks ago to Burundi which, like Rwanda, is coming out of conflict and is very much a post-conflict society. Next door is the Congo, which is very much not a post-conflict society, but is tragically a current conflict society with all the horrors that go with that.

There was much to commend in Burundi such as the efforts for reconciliation, political development, capacity building and all that goes with that, but there are still serious problems that must be addressed. The country has only 6 million people and lost 300,000 in the recent Hutu-Tutsi conflict, which mirrored what was happening in Rwanda. Over the past couple of decades, it has lost more than 1 million people in such conflicts, and has a great number of orphans and displaced people.

If we are to remove the causes of the human rights abuses that led to those conflicts, it is important that we put as much effort as possible into post-conflict resolution and building a good society after that. I am pleased that there is a substantial aid programme for Burundi, and I hope that it continues. I also hope that when the large number of refugees living in neighbouring countries, principally Tanzania but to some extent in Congo and Uganda, return—they are returning because Tanzania wants them to return—the international community will provide sufficient support so that they can settle,

and that they are not seen as an immediate burden on the people with whom they were in conflict before they left. The amounts of money are not vast, but it is important to end human rights abuse through a process of reconciliation with truth and reconciliation commissions, and to ensure sufficient support so that one group is not fairly or unfairly labelled a burden on the others. The rest of the world's lack of activity during the genocide in Rwanda and Burundi should be a salutary lesson for all of us. The figures are mind-blowing, and I shall quote them again. In Burundi with a population of 6 million, 300,000 died in the recent past, and an even greater number died in Rwanda. The figures are horrendous, and we must be prepared to give whatever support we can.

I have mentioned the issue of discrimination by caste and descent, which applies particularly to India, although other countries are affected as well. I should declare an interest in relation to that issue, because together with my hon. Friend the Member for Wolverhampton, South-West (Rob Marris), I am a trustee of the Dalit solidarity network in this country. The network seeks to promote the interests of Dalit people and to end the discrimination against them in India. We have often pressurised the Foreign and Commonwealth Office and the Department of Trade and Industry—to be fair, we have had quite good responses from them—on the use of the Ambedkar principles in British or overseas investment in India. Those principles relate to non-discriminatory employment practices and are named after the late Dr. Ambedkar, who was the author of the Indian constitution.

Discrimination against people deemed of lower caste takes place on a massive scale and occurs worldwide. Death and infant mortality rates are higher, life expectancy is less, employment chances are lower, and violence against the individual is much higher not because the Indian constitution fails to guarantee the protection of Dalits and their free access to the law. Those matters are guaranteed, and there is nothing wrong with the Indian constitution in that sense. However, the reality on the ground is very different, and the Dalits suffer very badly as a result.

Several of my hon. Friends have rightly mentioned the question of the death penalty in China and around the world, and I agree with what they have said. However, when dealing with countries such as India, with which we have very good relations, we should recognise that they, too, have the death penalty. There is an early-day motion, 130, before the House concerning the plight—that is the only way of describing it—of those who are being held as a result of the attack on the Indian Parliament. The motion relates to Afzal Guru and the potential use of the death penalty, it stands in the name of my hon. Friend the Member for Hayes and Harlington (John McDonnell), and it has received a substantial number of signatures. I should be grateful if the Minister at least acknowledged that she is aware of it and of the all-party support that it has received, and if she considered whether she can make any comments to the Indian Government on its subject matter.

Finally, let me mention the human rights of people in the middle eastern region, and of people in Iraq in particular. I have raised that issue twice this week—once during the Prime Minister's statement and once during Foreign and Commonwealth Office questions. My specific concern was the number of refugees from Iraq who have had to seek internal exile because of the continuing conflict, or to flee to neighbouring countries. Substantially more than 2 million people have fled, and the burden being placed on society in Syria, Jordan and other countries in the region is huge.

One thinks of the screaming headlines in this country's media about the relatively small number of asylum seekers who come here, while well over a million people have entered Syria in the recent past. One obviously hopes that there is some kind of long-term peace and settlement in Iraq, so that those affected can return home. The burden on neighbouring societies is enormous, and I hope that we will be prepared to offer the necessary support and help—both in the interests of the human rights of those who have sought a place of safety, and of the security of those societies.

Human rights debates carry a danger of assuming that everything that we do is okay, and that everything that everybody else does around the world is not, or might not be, or may be subject to criticism. We must be quite careful about that, and be prepared when necessary to be self-critical.

I support the UN system and the universal declaration, as do all of us here, I am sure. Likewise, I support the convention on the rights of the child, to which the right hon. Member for Tonbridge and Malling (Sir John Stanley) referred, and the convention against torture. I therefore believe it highly inappropriate for the British Government to come to an arrangement with any country that is not a signatory to the convention on torture, or to countenance the removal of people from this country to such a country on the basis of an exchange of letters between Governments. If we believe in international law, international conventions and international justice, we should do our best to encourage all those countries that have not signed the relevant conventions to sign them. Making one-off agreements that undermine the convention on torture undermines not just that convention but all the other conventions.

I hope that there will be a strong response on that and that we shall get involved in no more such agreements, but instead encourage people to join in an international legal system. That system might provide limited protection, but it is important for people who stand up for human rights and justice in their own societies.

4.15 pm

**Chris Bryant** (Rhondda) (Lab): My first political memory is from the age of nine, when my family was living in Franco's Spain in 1971. We lived not far from Carabanchel, of which most British people will never have heard, but which was the main political prison where Franco kept all those who disagreed with him. I remember my parents, myself and my younger brother going past it in the car on a very misty afternoon when Franco was visiting for some reason, so that every 100 m there was a guardia civil officer with one of those tricorn hats and a very long cape. I felt very intensely the sense of repression that can be the first or perhaps the last step of human rights abuses.

*[Chris Bryant]*

In 1986, I spent three months working in a shanty town in Lima, in Peru, and then six months working for a human rights organisation in Buenos Aires, where I was also studying part-time at the protestant theological college. One night, I went for a drink with one of my friends who I knew had had a difficult time during the dictatorship in Argentina, although I did not know much more about his experiences. There were not many people in the bar, and at one point somebody came over and stood at the bar. My friend sort of froze and went off to the toilet. Some 40 minutes later he had not returned and I was worried, so I went to find him in the toilet, where he was essentially a shivering wreck. He said that all the experiences of his torture had returned, because the person who had tortured him was standing at the bar.

I asked him how he could possibly know that it was the same person, because all the stories that I had heard had suggested that the identity of the torturers was kept from their victims. He said, "I know that my eyes were covered for every torture session. But when you have had electrodes applied to every single part of your body and large currents passed through them, when you have had the backs of your eyes exposed for hours on end, when someone has barked orders at you and poured water into your mouth so that you think you are drowning, and when somebody has pushed you day after day into filthy, freezing-cold water until you nearly drown, you get to know the person who is doing it, even if you do not know what they look like." It was at that moment, I suppose, that I decided that politics was probably more important than theology.

I believe that our intervention in human rights issues around the world is absolutely vital, because Britain was remarkably quiescent at the time of many of the human rights abuses that happened in Latin America in the 1960s, 1970s and 1980s. We should be absolutely unambiguous in our support of the human rights of others around the world, however much that may on occasion be inconvenient for us commercially or politically. Contrary to the dichotomy that some see between the western and eastern ideas of human rights, I believe that human rights are a seamless robe, and that there is continuity also between the collective good and the individual freedoms of religious expression, personal expression, the right to peaceful assembly and so on.

Of course, in any one country all of that depends on solid institutions such as the rule of law, trustworthy police and security services, open and free media and trade unions and other parts of civil society such as free political parties. It depends also on respect for life and on the right to life. Many hon. Members have referred to China's use of the death penalty—more people have been executed by China than all other countries put together, but probably the most intense use of the death penalty is in one particular state of the United States of America, namely Texas.

We should be equally critical of the death penalty when it is used by an ally of ours. When somebody tries to tell me that, as MP for the Rhondda, I should somehow be interested in more parochial issues than the human rights of others around the world, the words of John Donne always spring to mind:

"any man's death diminishes me, because I am involved in Mankind; And therefore never send to know for whom the bell tolls; it tolls for thee."

I shall refer to two specific countries: the Russian Federation and Iran. Hon. Members will know some of the issues to which I refer and perhaps they will have heard me speak about them before, but these comments bear repetition. I am glad to say that the Foreign Office, in its annual reports, keeps on referring to those two countries and, I suspect, brings more effectively to the attention of the world than any other country chooses to do through its equivalent body some of these human rights issues.

The repression of non-governmental organisations in the Russian Federation is quite intense now. Ever since January 2006, when the Russian Government insisted on a new law saying that every single NGO should be re-registered and go through a very complex system of registration, there has been systematic harassment of nearly every NGO that has not been initiated or prompted by the Government themselves.

Despite President Putin saying in November 2005 that media freedom is a basic condition for advancing democracy and defeating corruption, the Russian Federation does not have free media. There is not a single national television channel that is not owned or ordered by the national Government. Several TV channels have been closed down: their licences have been removed or their journalists personally harassed.

There has also been the murder of a large number of journalists in the Russian Federation. The most notable or perhaps the most publicised murder was that of Anna Politkovskaya just a year and a few days ago. People have now been charged with her murder, but a countless number of journalists—I say "countless" with deliberate intent because it is uncounted—have been murdered in the Russian Federation since President Putin came to power. If a single journalist were murdered in this country, the whole of British society would be up in arms and every other country in Europe and in the Council of Europe would condemn us if charges were not brought against somebody. In every single case other than that last one, there has been complete impunity for the murderer, because no charges have been brought.

It is all too easy, perhaps, to believe that there is a conspiracy whereby the Government want to ensure that those who oppose the Government through the media are disappeared—are murdered—and their murderers are not pursued in the courts. That creates an air of self-censorship in the Russian media. Vladimir Pozner, a news presenter on the state TV station Channel One, said in a radio interview in April 2006—I am quoting from the Foreign Office's annual report for 2006—

"I know that I cannot touch upon some problems...Everybody knows what he can do and what he cannot do, this understanding is deep inside us. I realise that my freedom is not absolute, it is limited and I have to choose topics".

In other words, the level of self-censorship in the Russian media is so intense that there is virtually no criticism of the Russian Government.

It is also true that in the armed forces there is a large amount of bullying, not just the kind of bullying that perhaps every country has at some point in its armed

forces—we have had our own cases in the UK—but quite extreme cases of human rights abuses. The same Foreign Office report states:

"Russia was shocked in January 2006"—

although the rest of the world was not, because this was hardly reported—

"by the case of Private Andrei Sychev, a conscript who was beaten so severely by other servicemen that doctors were forced to amputate his legs and genitals."

The systematic use of torture in the Russian Federation has been attested by many organisations, most notably Amnesty International, but Amnesty has made the point that it is not just in the northern Caucasus, in Chechnya, where torture is being used; it is in every single part of the Russian Federation. All the safeguards against torture—such as the right of independent organisations to visit police cells and the opportunity for examination by legal counsel and for medical examination by doctors or nurses—are forbidden in the Russian system. It is very common for people to assert that the Russian police are far more interested in securing a confession than in the pursuit of justice. It is attested by the vast majority of people in Russia that they have no confidence in the police force or the judicial system.

Against that background, when the Russian Federation says to Britain that it demands the extradition of various people because it believes that they should face trial in the Russian Federation, the courts in this country are right to point out that, all too often, the cases are being brought not for reasons of justice, but for reasons of politics and political interference. I merely note that in one of the cases in which the Russian Federation was seeking the extradition of a Russian national back to Russia from the UK, the person concerned was accused of having murdered an Orthodox priest, but that Orthodox priest gave evidence in the case, thereby proving, obviously, that he had not been murdered by the person concerned.

The quality of the extradition requests that the Russian Federation often presents should make us all think twice about the quality of criminal justice in Russia. I also suggest that the UK Government are right to query whether people such as Mikhail Khodorkovsky and Platon Lebedev have really had a fair trial. Those cases are still going through the process in the European Court of Justice, so we should not interfere too much, but I think that the Government are right at least to question that.

I shall raise a few issues about Iran. The first is the use of stoning. In December 2002, Ayatollah Shahroudi said that there should be a moratorium on stoning, which was welcomed by many around the world, but from May 2006 the use of stoning as a means of execution began again. Two people, Abbas and Mahboubeh, were executed in a cemetery in Mashhad, having been convicted of murder and adultery. One hundred Revolutionary Guards and Bassij forces took part. I do not know whether hon. Members have ever had an opportunity to see photographs or images of the process of stoning, but a pit is dug first. It is of a different depth, depending on whether it is for a man or a woman. The person is installed in the pit and then some of the earth is put back in so that they are unable to move their arms. Then, large numbers of people literally stone the person to death. It is a slow and extremely painful way of dying.

Another couple were convicted of adultery more than 10 years ago. Mokarrameh Ebrahimi was imprisoned with her two children in Choubin prison in Qazvin province in the north-west of Iran more than 10 years ago. Many people thought that, although she and her partner would potentially be subject to execution, that would not come to pass. In fact, only in July this year, her partner, Jafar Kiani, was executed. A pit was dug for Mokarrameh and, so far as we know, is still waiting for her. Amnesty knows of at least eight other people in Iran who have been given sentences of execution by stoning and is very concerned that those might go forward.

It is also true that Iran still executes minors. So far as we know, apart from the United States of America, which stopped in 2004, Iran is the only country that still executes minors. Since 1990, 24 child offenders have been executed. Eleven were still under 18 when they were executed. With some of them, although they were convicted when they were under 18, the courts waited until they were 18 for them to be executed. I hope that everybody in this Chamber would be opposed to the death penalty, but even if some people in the House support the death penalty, I hope that the idea of using the death penalty for minors, in complete contravention of every treaty to which Iran itself has signed up, would shame people.

Some 71 other people under the age of 18 are under sentence of death in Iran. Two were executed earlier this year, one in April and one in May. Two people were hanged in Khorramabad in Lorestan province on 13 May 2006, one aged 17 and one aged 20. One must question what kind of justice can be secured by executing two people less than a month after the crime that they allegedly committed. How due process can possibly have occurred in such a short period beggars belief.

One of the other problems in Iran, as the Government point out in the Foreign Office report, is the rapid deterioration during the past year of freedom of expression:

"Freedom of expression in Iran has deteriorated significantly in the last 12 months."

Such issues were raised in regard to China—for instance, the closing of the internet so that people cannot have proper access to information. Exactly the same is true in Iran. The BBC has had enormous difficulties in reporting in or about Iran. I believe strongly that the BBC's work is important not only in Iran but historically and today in China.

The Foreign Office recognised in its report the situation for many minorities—particularly Baha'is, whose property has been confiscated and who have been systematically harassed and prevented from holding office. That must end, but the one issue on which the Foreign Office report is silent is that of the Ahwazi Arabs. I hope that the Minister will look into it; I have raised the issue several times on the Floor of the House. Many Ahwazi Arabs have been executed after very uncertain legal process, and I hope that the Foreign Office will concentrate on that aspect of the repression of minorities as well.

*[Chris Bryant]*

A year ago, two young men were executed in Mashhad. They were both under 18 at the time of their alleged crime; one of them was 18 when he was executed. It is uncertain precisely what they were executed for. Some people say that they were executed purely for consensual sex together; others believe, and the Iranian state says, that other crimes were involved as well. I refer again to the Foreign Office report. The Government say:

"we are not aware of any individual in Iran being executed solely for engaging in consenting same-sex relations in recent years."

I think that the Government are wrong, and I hope that the Foreign Office will look again. It has said the same thing on three separate occasions, but in a number of reports, Amnesty International and other organisations watching the situation in Iran state that they believe that some cases are trumped up merely as a means for the Iranian regime to hide the fact that it is executing people because of their sexuality, just as it executes people for committing adultery. The Government should examine the issue again.

I also believe that it is wrong for the Government to refuse asylum to people from Iran, Iraq or other countries where they face repression, and violent repression at that, because of their sexuality. We should say to such people that if they face repression or violence, they have the opportunity to seek asylum in this country.

4.33 pm

**Mark Hunter** (Cheadle) (LD): It is a pleasure to have the opportunity to participate in this debate under your chairmanship, Mr. Chope. I applaud the Select Committee for producing this robust and detailed annual report and its Chairman for his succinct presentation of its contents today. The Select Committee ought to be congratulated on what is self-evidently a thorough job of work.

I start with an issue close to my heart and, from what I have heard, to the hearts of many of us: cluster munitions. A total ban on cluster munitions has been a campaign issue for many of us for a long time, and although we are pleased that the Government have signed up to the Oslo declaration to ban indiscriminate or dumb cluster bombs, it is still, in the opinion of many, not good enough.

The problem with banning only dumb cluster bombs is that the definitions of "smart" and "dumb" are not set in stone. All cluster munitions are indiscriminate, ineffective and devastating to civilians. They are militarily unnecessary and totally immoral. Few of them go off when and where they are supposed to, and even smart munitions have a significant failure rate, as we have heard. If the Government are to fulfil the commitment they made in Oslo, all cluster munitions should be banned, not just the ones that they term dumb. Britain should be taking a lead on the issue. We should be at the forefront, helping to ban the use, manufacture and sale of all cluster munitions, but how can we do so unless we set an example ourselves?

I can at least thank the Government for their clarification, in their response to the annual report, of what cluster munitions are still retained by the UK—namely, the 155 mm L20A1 artillery round—but surely I am not the only person present who finds that admission deeply depressing. The Government stand accused by Oxfam, Amnesty, Human Rights Watch, Landmine Action and many others of simply renaming one of their two remaining cluster munitions to get around the worldwide ban expected next year. Is it not damning that despite all the evidence of the horrific and indiscriminate damage caused by such weapons, the British Government say that they will continue to retain them in service until the middle of the next decade? Is that not the most damning indictment of Government policy, and should we not be ashamed of it?

The annual report into human rights abuses around the world raises many issues that remain deeply troubling. As hon. Members have said, it is impossible to comment on all regions and all issues in the time available. Like others, I shall highlight some of what I consider to be the very worst situations, beginning with Iraq.

The increasing number of executions, the use of questionable trial procedures and the alleged use of torture to extract confessions are deeply worrying developments. Sectarian and political violence have escalated throughout the year, with allegations that Iraqi security forces themselves are linked to some of the armed groups accused of involvement in civilian killings and torture. In particular, the situation of women in Iraq has deteriorated greatly. Violence has increased, including so-called honour killings by male relatives. In addition, the UN estimates that more than 34,000 civilians were killed in Iraq during the past year alone. Although the true number of civilian casualties can never be known, 2 million are internally displaced and a further 2 million are refugees in neighbouring countries.

The aftermath of the conflict has been truly dreadful. Not only must the Government do as much as possible to encourage the Iraqi Government to promote the rule of law and protect human rights, but questions must still be asked about why a full exit and post-fighting strategy was not developed before we entered the arena in the first place. In their response to the report, the Government say that they continue to work with the Iraqi Government on human rights issues. I ask the Minister what progress has been achieved and how often liaison has occurred on the subject.

Another topic in which many other Members have an active interest is the current situation in Burma. The whole world has watched in horror as events in Burma have unfolded during the past months—events that come in the context of Burma's deteriorating human rights record of pre-trial detention and keeping political and ethnic prisoners in jails and labour camps, as well as credible reports of torture. The news has been filled with stories of mass arrests, of police breaking up peaceful protests using live bullets as well as teargas, and of police and paramilitary forces beating protesters—all of which has resulted in many being injured or killed. Only 10 deaths have been officially acknowledged by the Burmese Government, but it is feared that the death toll is considerably higher.

We are all acutely concerned about the stories coming from foreign journalists under cover in Burma. In one case, a BBC reporter heard reports of bodies of monks being hidden and burned in a local crematorium. As a first course of action, all detained prisoners should be accounted for and released. Although I am pleased to

see that the junta has appointed a go-between to liaise with Aung San Suu Kyi, I am concerned that no timeline has been accepted for the negotiation process. Will the Minister tell us whether any progress has been made, whether the meeting with Aung San Suu Kyi has taken place, and whether the Burmese Government have been pressed by the British Government to create a timeline for those meetings?

The role of China and India is crucial in bringing pressure to bear on the junta. Has the Minister recently discussed Burma with representatives of China or India and, if so, what was the nature of those discussions? In the past, United Nations resolutions on Burma have been blocked by Russia and China; although I am pleased to see that investigations by the special rapporteur on human rights will take place, the UN Security Council also needs to take decisive and tough action and to tighten up international sanctions.

I have spoken on human rights abuses in China before in this Chamber. Once again, I place on record that I share the Committee's concerns that changes to the legal system and commitments to other countries are not being followed up. The number of capital offences is still unacceptably high—although for most of us, any capital offence would be one too many.

One of the many issues that need urgently to be addressed is that of the re-education through labour programme. These camps are still being used to detain political and religious dissidents in an attempt to silence them. I understand that new legislation is being pushed through to change the modus operandi of the camps; but it is their nature and not the practical details that are the real problem. The detention of those convicted of crimes must be within the scope of criminal law, subject to appeal and in line with international law and precedents on human rights.

Hopes have been raised that, with the coming Olympics, the Chinese Government will see the necessity of cleaning up their human rights act before it comes under the scrutiny of the world's foreign press and other Governments. However, as we see from the report, the pace of change is glacial. I agree with the Committee's conclusion that unless benchmarks and a timetable are developed, progress will continue to be agonisingly slow. Pressure needs to be applied, and there is no better time than now; with China relying on the publicity that the Olympics games can bring, we will never have a better lever on which to insist on improvements to human rights in that country.

I am pleased that foreign press restrictions during the Olympics are to be lifted, but does not the Minister think that the issue of permanent and free access to foreign journalists should be pressed at this time? How can we properly assess the human rights situation in China if foreign press, including local journalists, and human rights groups are to be restricted and censored? The complete media freedom promised by the Chinese during the Olympics needs to become a reality, and pressure needs to be applied for it to remain so.

I join the Foreign Affairs Committee in concluding that halting the inquiry into the al-Yamamah arms deal may have caused severe damage to the reputation of the Government and UK plc in the fight against corruption. Indeed, I would go further and say that I believe it has already done so. I also join Human Rights Watch in its statement on page 18 of the report that the decision to drop the investigation sends a very negative message to those countries that we are encouraging to become more accountable and transparent. As a country, we rightly promote the message that no one is above the law, but the Government are apparently not willing to let an independent investigation take place. On behalf of my party, I again urge the Government to reconsider their decision to abandon the Serious Fraud Office investigation.

I wish to touch on one other issue before I conclude and it is that of Zimbabwe. So often, political action seems to depend on the fluctuations of the news. After the actions earlier this year that gripped the public's attention, there is again a danger that Zimbabwe will become a forgotten conflict. As the report said, the Government need to maintain the pressure on South Africa and other members of the Southern African Development Community, especially as the Mugabe regime is now beginning to crack. Does the Minister remain optimistic that the planned 2008 election will be fair, free and democratic? Will she also update us on the forthcoming EU-African summit and, given the absence of the Prime Minister, confirm who will be representing the Government?

Finally, I take this opportunity to congratulate the Minister and her Department on their work on the special court for Sierra Leone. I have spoken before on that issue in this Chamber, so I shall keep my remarks short. However, I believe that Britain's role in agreeing to imprison Charles Taylor, should he be convicted, will be an important step in publicising the enforcement of human rights. We will be sending a clear signal to the rest of the world that those who violate human rights will be tried and, if found guilty, punished. I can only hope that this message is heard in many of the countries of which we have spoken today.

Once again, I thank the Foreign Affairs Committee for such a thorough, detailed and thought-provoking report.

4.47 pm

**Mr. David Lidington** (Aylesbury) (Con): I congratulate the Foreign Affairs Committee on its comprehensive report. Its comprehensive nature means that I shall be able to allude to only a few of the topics that the hon. Member for Ilford, South (Mike Gapes) and his colleagues have drawn to the attention of the House.

I say clearly, for myself as well as for my party, that respect and support for human rights are principles that should be integral to the United Kingdom's foreign and domestic policies. That is partly because it is morally right to do and say such things. Democratic Governments have a duty to speak up for people who have been silenced, jailed and tortured by their own Governments. The hon. Member for Rhondda (Chris Bryant) told us of his earliest political memory in Franco's Spain. I shall never forget my first visit to East Berlin as a schoolboy, seeing the armed guards patrolling the walkway above Friedrichstrasse station when we changed trains and then going out through the Berlin Wall, and seeing the minefields that had been laid to stop the citizens of East Germany escaping from their own Government.

*[Mr. David Lidington]*

It is not only a matter of what is morally right, however. It is also important to recognise that supporting human rights is very much in our practical national interest. I say that because, for the most part, dictators tend not to make the most reliable or stable of British allies. The record shows that individual freedom and prosperity feed into each other and that a community of plural democratic societies is more likely to make for a peaceful and stable world than a group of autocratic tyrannical regimes. The question is how to develop those policies of respect for human rights through our pursuit of British interests overseas.

I shall start by considering the United Nations, which is something that the hon. Member for Islington, North (Jeremy Corbyn) highlighted. When I read the Government's "Human Rights Annual Report"—a document that is even more comprehensive than the Committee's report—I realised that the Government had placed high hopes on the creation of the United Nations Human Rights Council. The former Foreign Secretary, now the Secretary of State for Justice and Lord Chancellor, told the United Nations General Assembly that the creation of the Human Rights Council

"provides a unique opportunity to strengthen the way in which the UN addresses human rights and to restore human rights to a central role in the UN's work."

The Government, on page 162 of their "Human Rights Annual Report", declare that

"the HRC has the potential to make a real difference to the UN's treatment of human rights."

They go on to say:

"We will continue to work hard in partnership with others to ensure that it"—

the Human Rights Council– "fulfils that promise." When the Foreign Office presented its written evidence to the Committee, it stated:

"the Human Rights Council has made some promising progress".

I have to say that that phrase reads to me as if there is now some hesitation on the part of Ministers about whether the initial promise has actually been realised. I want to press the Minister to say more about the Government's verdict on the performance of the Human Rights Council so far. If one considers what the council has said, what it has done and what it has omitted to do, one discovers that there are still some serious flaws in that particular multilateral institution.

At the end of the Human Rights Council's first year, its members pushed through a set of rules to agree that Israel should be the only country subject to a permanent agenda item at the council. I agree with my right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley) that we should not hesitate to draw attention to the humanitarian catastrophe that is taking place in the Palestinian territories, particularly in Gaza. However, I must challenge the idea that Israel should be uniquely singled out in such a way. At that same meeting, the proposal to have special rapporteurs to the Human Rights Council on Belarus and Cuba—two countries with reprehensible records on human rights—was eliminated. Did our Government resist those measures? My understanding is that the British Government, along with the rest of the EU, did not resist those steps and that it was left to Canada alone among the established western democracies to hold out unsuccessfully against what seems to have been a shabby compromise.

Let us consider some of the ways in which the Human Rights Council has gone about its business. The hon. Member for Islington, North referred to the universal periodic review. I have no quarrel with the idea that every member state of the United Nations should submit itself to that type of regular scrutiny. I applaud the fact that the British Government have volunteered that we as a nation should come forward and take part in such a review at the earliest possible stage. But how adequate will it be to have a universal periodic review that takes place on what amounts to an immutable four-year cycle and that allows for the scrutiny of any member states' record for a very short time? According to Freedom House, which has a good track record on scrutinising global human rights issues, the reviews will be conducted by three representatives of member states and not by independent human rights experts or non-governmental organisations. In the documents used as a basis for the review, there will be 20 pages of text submitted by the country in question, the Office of the United Nations High Commissioner for Human Rights can submit 10 pages, and what are termed "other relevant stakeholders" can provide a further 10 pages. The time allowed for the scrutiny of each country will be very short; I understand that it will be limited to only three hours. Will the Minister confirm whether that is the case? Even the most half-trained diplomat of a tyranny should be able to fend off an interrogation of his human rights record conducted on such a basis and subject to such limitations.

The same problems arise when we consider the terms of reference that will be applied to the independent experts whom the council will ask to look into both thematic human rights issues and the records of individual countries. Those experts will all be subject to a code of conduct that requires them to show restraint, moderation and discretion. I have no quarrel with that but the code of conduct also says that they must avoid using unfounded or politically motivated communications or abusive language and that they must not rely on reports disseminated by mass media, non-governmental organisations or persons, unless those individuals or organisations are the victims of violations and claim to have direct or reliable knowledge of those violations substantiated by clear information. Once again, it seems that the limitations that the Human Rights Council has written into its rules risk giving abusers of human rights the opportunity to side-step the scrutiny and judgment that I think all hon. Members would agree such individuals merit.

During the first two years of the HRC's existence, there have been 11 country-specific resolutions criticising Israel. The question of Darfur has been delayed again and again from coming before the council until a resolution was eventually agreed at the end of 2006. There was a country-specific resolution on Burma—not when the crisis was building up, but when visible evidence on the internet and television screens made it impossible for people further to ignore it. On Zimbabwe, Uzbekistan and other offenders, nothing at all has so far been done by the council.

The high hopes that the former Foreign Secretary, now the Secretary of State for Justice and Lord Chancellor, and others expressed at the time of the council's creation have sadly not been realised. I hope that the Minister will let us know what action the Government will take to try to secure a more robust and less partial scrutiny of human rights abuses in future sessions.

**Jeremy Corbyn:** Will the hon. Gentleman concede that one of the problems is that, although it is true that the Human Rights Council does not want to take action on certain issues, many member states and Governments simply do not want to refer matters to the council? If member states think that they should be doing something about a particular human rights abuse somewhere around the world, it is up to them to draw attention to it. It is also up to the council to make itself much more open, as I said in my speech, to civil society and non-governmental organisations. For example, there are plenty of human rights groups inside and outside Burma that I am sure would love to be heard at the Human Rights Council.

**Mr. Lidington:** I do not disagree with the hon. Gentleman. We are forming an unlikely alliance on this subject, which I hope does not embarrass him too much. He makes some valid points.

There are some things that the Government are doing and should continue to do in terms of multilateral action, and I welcome the fact that Britain is one of the largest funders of the Office of the UN High Commissioner for Human Rights. That office has a good track record of practical action in the field and in arranging monitoring and practical logistical support for elections in different countries throughout the world. The Government could do more to try to build the Community of Democracies, which is very much an institution in embryo, into a more vigorous organisation as a caucus in the UN and outside.

We must also accept that our efforts to secure greater respect for human rights should not only be through multilateral action. We have to look to the UK's place as a permanent member of the Security Council—this reinforces the importance of keeping our permanent membership of the UN Security Council and not allowing it to be hived off to the European Union in the way that the Government are on the brink of endorsing—and to our membership of the EU to try to get not only ourselves but other member states to adopt measures that will encourage respect for human rights in different parts of the world.

I want to talk briefly about three specific countries. China has been mentioned a lot, and it would be wrong of me to omit it because I had the opportunity to go to Beijing and Lhasa last month as part of a cross-party delegation led by the hon. Member for Wirral, South (Ben Chapman). We had some frank conversations in both cities about human rights and what struck me was that although the Chinese officials to whom we spoke firmly defended the policy of the Chinese state, they were prepared to engage in discussion and argument. We saw some evidence that life had improved considerably—particularly in terms of freedom to pray in Tibet and in Xining, where we visited a mosque—from what used to be the case, especially during the cultural revolution. As other hon. Members have said, there are still massive problems such as the denial of routine internet access, the blocking of sites such as the BBC's, the difficulties and persecution faced by unlicensed religious groups and the re-education through labour campaign that, as the hon. Member for Cheadle (Mark Hunter) pointed out, amounts to full detention without trial.

The prospect of the Olympics in 2008 provides an opportunity for Britain and the EU to accelerate the human rights dialogue with China. Clearly, we are dealing with a country that represents a quarter of the world's population, is a permanent member of the Security Council and without which it will be impossible to tackle many serious global challenges, such as climate change or international terrorism. There are important reasons for Britain to have a constructive relationship with China, but I hope that the Minister will agree that we do not serve our own interests if we ignore the question of human rights. Frankly, I think that the Chinese would be astonished if we were to do so. I hope that we will see that dialogue pressed forward with greater urgency.

My impression is that the Chinese Government want, at the time of the Olympics, to showcase the history, culture and tremendous modern economic achievements of the Chinese people. They know that they will be subjected to unprecedented international scrutiny and that a lot of that scrutiny will be critical. It is opportune to keep reminding the Chinese Government of the commitment to ratify the international convention on civil and political rights and to bring forward the changes to the criminal justice code that have often been promised but have not been fully delivered.

Let me turn now to Burma. *The Independent* newspaper today has starkly reminded us of the atrocities that are taking place in Rangoon and elsewhere. Other hon. Members criticised internet providers for their willingness to accept restrictions on access in China in particular. I want to voice a word of congratulation to the BBC for the performance of the Burmese service in recent weeks. It provided a lifeline to the people of Burma by telling them what was going on inside their own country. I know that people have worked for and spoken to the BBC from inside Burma at enormous risk to themselves, because they regarded it as vital that the truth got out. That is just one reminder of the fact that we have something of real value in the BBC World Service.

I welcome the Prime Minister's words at the time of the demonstrations in Burma. It is a pity that the issue was not taken to the Security Council a long time ago. In view of the EU Council next week, I hope that the Minister can be specific about the measures that our Government will propose that the EU should collectively adopt. I hope that there will be an intensification of sanctions directed at the members of the junta and their families, such as action against overseas bank accounts, and I hope too that the Government will keep up the pressure not only on China but on India, Thailand and Japan, which all have significant investments inside Burma and are in a position to exercise some leverage on the regime.

Turning to Zimbabwe, I welcome the Prime Minister's declaration that he will not attend the summit in Lisbon in December if President Mugabe is

*[Mr. Lidington]*

going to be there. What I am not yet clear about is who would attend on behalf of the United Kingdom if the Prime Minister chose to boycott that summit because of Mugabe's presence. Would it be a Cabinet Minister? Will the Minister be lumbered with that task herself? Would the British delegation be at only an official, rather than ministerial, level?

Secondly, what do the Government propose to do if Mugabe bottles out but is replaced by a senior member of his regime—perhaps by somebody who is known to be complicit in the atrocities that have been carried out in that country? In those circumstances, will Ministers stay away? Will they regard it as an important principle to sustain the boycott under such circumstances?

Thirdly—this came up at Foreign Office questions the other day—when will we see some action on President Mugabe's honorary knighthood? I really cannot believe that it has taken so long for action to be taken. It is hardly as if he needs to drive down the Mall in order for it to be ceremonially stripped from him. I hope that the Minister can announce some decisive action in that respect.

At the beginning of my remarks, I said that respect for human rights should be integral to both foreign and domestic policy. That point was made very firmly by the Committee's Chairman when he opened the debate. The Government need to explain how they can justify the combination of a foreign policy that rightly gives a high priority to human rights, and one at home under which Ministers are still trying to deport people to Burma. We know of the case of Lay Naing, who is active in the Burmese underground opposition movement and who has been imprisoned in Burma already for criticising the junta, and who faces the prospect of enforced removal from Britain.

We know that the Government are still fighting through the courts to try to deport people to Zimbabwe. Some estimates say that about 1,000 asylum seekers lost their cases last year and now face deportation. I do not know whether the estimate is accurate, but I can say to the Minister that in my constituency surgery, practically every fortnight at least one Zimbabwean asylum seeker resisting removal from Britain comes to see me. The Government have even been trying to deport Darfuris to Sudan. If human rights are indivisible, we need some joined-up thinking and government. On that point, again, I hope that she can give us some reassurance.

5.11 pm

**The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn):** It is an honour to take part in this debate. In my last ministerial role, I took through Parliament the Equality Act 2006, which set up the first institutional body of its kind in this country—the Equality and Human Rights Commission, which opened its doors this month to provide such support in this country. As has been said very clearly by many Members, human rights are basic rights and freedoms and belong to everyone in the world. That is what we are here to discuss today.

The Foreign Affairs Committee has demonstrated its positive and constructive engagement with the Foreign and Commonwealth Office on our work to promote human rights. I am grateful for the many positive comments made about this report, which, as Members have said, has been put together in great detail by dedicated staff within the FCO, and which owes its inception to the late Robin Cook, who would be proud to hear today's debate and the range of issues raised.

We value the work of the Select Committee and its comments on our work. Its report is very important. There are many ways in which we can improve what we do and better demonstrate our strong commitment to promoting human rights internationally. The promotion of human rights throughout the world will remain at the heart of our foreign policy. In his recent speech in Bournemouth, the Prime Minister emphasised the role of human rights and our shared humanity when he declared unambiguously that human rights are universal. The Foreign Secretary said recently that

"every citizen of every nation deserves the freedom and equal rights of a true democracy."

He made it clear that countries from Burma to Zimbabwe should play by the rules, rather than ignore them. Those rules must be the shared values and obligations to which we have all signed up—most fundamentally on human rights. He underlined the importance of our building strong and democratic societies in countries such as Afghanistan and Pakistan.

In its report, the Committee noted the strong personal commitment of the then Minister with responsibility for this matter, my right hon. Friend the Member for Makerfield (Mr. McCartney), who had hoped to join us this afternoon but was unable to do so because of other parliamentary business. The Committee recommended that it should be made more explicit for all Ministers that work on human rights is fully integrated into our work across the UK's 10 international strategic priorities.

Since the Committee reported, we have adjusted ministerial portfolios, as has been mentioned by my hon. Friend the Member for Ilford, South (Mike Gapes). The overall responsibility for human rights issues falls to Lord Malloch-Brown, but my presence here today is evidence of the extent to which other Ministers and, indeed, the Foreign Secretary himself, are active in promoting human rights issues in our areas of responsibility. We take every appropriate opportunity to raise human rights concerns in our meetings and contacts, and I can testify to that in my personal experience as a new Minister in the FCO. That thread runs through all our work.

The hon. Member for Aylesbury (Mr. Lidington) mentioned the importance of our contacts in dealing with such matters—not just international bodies, but our bilateral relationships. Let me give him a specific example. In September, I visited Mexico and while I was there, I discussed the major human rights issues that it faces with a range of contacts, specifically civil society and Mexican non-governmental organisations. We discussed the need to modernise the judicial system in order to end impunity and to tackle corruption. I heard also about the excellent work on justice reform that we have been able to carry out with the Mexican authorities through the Foreign Office's global opportunities fund. Such support is being given to a range of countries around the world.

**Jeremy Corbyn:** I am grateful to my hon. Friend for mentioning Mexico. During her visit, was she able to raise the issue of migrants from Guatemala, Nicaragua and Honduras who are harassed routinely while trying to travel through Mexico, the problems of the appalling treatment of some women in the states bordering the United States, and the disappearances that occur because of that? I know that human rights groups in Mexico often take up that matter.

**Meg Munn:** I met a Mexican foreign affairs Minister and discussed a range of issues, including ones such as those mentioned by my hon. Friend.

**Mike Gapes:** The Minister mentioned the global opportunities fund. In the light of the statement on the comprehensive spending review, can she assure us that the FCO will maintain its support for the fund, and particularly for human rights work?

**Meg Munn:** As I have just outlined, the global opportunities fund is extremely important in supporting such work. My hon. Friend was doubtless present for the statement earlier this week, as I was. We have just had that settlement, but how it will impact on the various areas of the Foreign Office has yet to be determined. However, I am sure that we will be in touch with his Committee with those details, and that he will want to return to that issue. I hope that hon. Members will bear with me. I have a lot of points to make and I would like to cover as many of the issues raised by hon. Members as possible.

Human rights are being addressed across Departments. Last Friday, a joint statement was issued in which Lord Malloch-Brown and the Under-Secretary of State for International Development, my hon. Friend the Member for Dewsbury (Mr. Malik), expressed deep disappointment following the announcement that elections in Nepal had been postponed. Human rights work is important and is a priority in its own right. We believe also that the realisation of human rights throughout the world is a basis for our own security and prosperity, as the hon. Member for Aylesbury said. Human rights, therefore, are integral to our foreign policy and dealings with other countries.

We have continued to embed human rights more explicitly in our approach to all our international priorities, including counter-terrorism and conflict prevention and resolution. The content and format of the next annual report on human rights should help to make that clear. I refer Members to our response. In paragraph 4, we set out how the next report will appear. I know that Members had some concerns about the way in which the report appears, and I hope that as we develop the report in the years to come, we will continue to make improvements that respond to concerns.

I shall move on to specific issues, and I, too, start with the UN Human Rights Council. It is just over one year old, and much of its first year has been spent completing its own establishment in order to get fully up and running. Securing UK objectives in an environment in which we and our like-minded partners are in a voting minority continues to be a challenge. I understand the reasons for the criticism from the hon. Member for Aylesbury about some of those issues, but in multilateral bodies, it is important that we try to secure the outcomes that we want. However, we are not always able to do so, and sometimes we must compromise our position. We will none the less continue to work to develop a Human Rights Council that meets the objectives of everybody in this Chamber.

The council has shown that it can be effective in the face of urgent situations involving human rights abuse. The 2 October session on Burma, which the European Union called for, sent a strong, clear and united signal from the international community to the Burmese regime. Countries throughout the world, including some Association of South East Asian Nations countries, which are very close to Burma, made strong statements—much stronger than previously. Members must recognise that as a positive development. The council has also taken other encouraging steps, including beginning to address the tragic situation in Darfur. On thematic human rights issues, the UK led a successful initiative at last month's session to create a new UN special rapporteur on contemporary forms of slavery, thereby improving the UN's ability to address that abhorrent practice.

However, we have been disappointed by some of the council's work, including, as Members have said, the disproportionate and unbalanced focus during its early months on the situation in the middle east, while other situations were comparatively neglected. It is clear that the council is not yet all that we would like it to be, but we continue to have ambitious goals, and it has the potential to develop much further. We are committed to supporting a strong, balanced and effective body.

My hon. Friend the Member for Islington, North (Jeremy Corbyn) mentioned the involvement of civil society, and I shall certainly raise the issue with Lord Malloch-Brown in order to take it forward. We welcome the establishment of the universal periodic system to review every UN member's human rights work. It should lead to greater fairness, balance and transparency in the consideration of individual countries. I note that Members have some reservations about how that process might operate, but what is important is that we move forward with it and improve it, while recognising that it is still a new body.

**Mr. Lidington:** Does the Minister agree that if the Human Rights Council is to have credibility, it must be able to take the initiative and call for a special report on cases where there is a flagrant abuse of human rights, and not simply defer the matter until that country's turn comes round next in the four-year cycle?

**Meg Munn:** I entirely agree with the hon. Gentleman. It should not be a mechanism by which situations are avoided, but one that seeks to recognise that all countries need such external scrutiny. The mechanism will enable the council to achieve a wider analysis and a greater balance.

I turn to the issue of cluster munitions, which several Members raised. The Government share the humanitarian concerns that cluster munitions raise. Our policy is to secure a legally binding instrument that prohibits the use, development, transfer and production of certain types of cluster munitions. We want to achieve the result that saves the most lives. Our objective is to ensure that we get the best possible humanitarian outcome from any international action on cluster munitions.

**Mark Hunter:** In my contribution, I referred to a statement by a number of bodies—including Landmine Action, Human Rights Watch and Oxfam—pointing out that the Government had involved themselves in an exercise to rename cluster munitions, simply to avoid the expected worldwide ban next year. Will the Minister respond to that serious charge? Does she refute it? I should like some kind of response from her on that central point.

**Meg Munn:** I certainly do. As I understand it, the hon. Gentleman is referring to weapons systems involving valid and legitimate weapons that will be used only in strict compliance with international humanitarian law and the UK's own rigorous targeting guidelines.

It is absolutely right that several Members should raise the appalling situation and ongoing brutality in Burma. There is probably no more vivid example of the trampling of a people's basic human rights and fundamental freedoms, and the sight of monks and ordinary citizens being clubbed or shot on the streets is one that few of us will forget. The sense of revulsion is widely felt, and I, like many Members, am concerned that we do not know what is now happening in Burma. We are not receiving many pictures of the events there anymore, so we remain concerned. However, there has been a strong response from the international community. Burma's neighbours, the ASEAN nations, issued an unprecedented and clear statement expressing their revulsion at the regime's violence. China also played an active role in helping to get the UN Secretary-General's special envoy, Ibrahim Gambari, into the country, and it joined in the international consensus at the Human Rights Council.

Meanwhile, the European Union is discussing how to toughen sanctions, an issue on which the hon. Member for Aylesbury asked for more detail. We should continue with the targeted measures that impact on the regime, not on the ordinary people. If he will bear with me, I should prefer not to go into the details, precisely because they are subject to upcoming negotiations. It is important that we seek to achieve the best position that we can, with the majority of the EU in support of such pressure.

I was asked about our roles and discussions with China and India. The Foreign Secretary has had discussions with his opposite numbers from China and India, and I have regular discussions with the ASEAN nations about these issues. The hon. Member for Cheadle (Mark Hunter) asked whether there are specific timelines. There are not at this point. We are seeking to make the Burmese regime recognise that it must enter into political reconciliation, stop the violence and talk through what should and must be the future of Burma in the modern world. We are making progress. It is slow progress, but we must keep the confidence of all involved. There have been some positive steps, such as the appointment of a Liaison Minister, but we are not complacent about the situation and we do not at all say that everything is okay in Burma. Clearly, it is not, but we must work through the processes with the EU and the UN. It is also enormously important that people in the UK continue to raise the matter, keep it in the public's mind and apply pressure internationally, in order to move to a situation that will relieve some of the long suffering of the Burmese people.

Members raised the issue of asylum cases. The Government's policy is that individual cases are exactly that, and that each case should be considered on its individual merits. I have been assured by the Home Secretary that nobody has been deported to Burma in the past two months.

I shall move on to speak briefly about Zimbabwe. We remain deeply concerned by the rapid deterioration of human rights there. The Government of Zimbabwe continue their campaign of violence and intimidation against opposition figures, human rights activists and ordinary Zimbabweans. I am not optimistic about elections in 2008. There is a process taking place through the Southern African Development Community to seek free and fair elections in 2008, but the actions of President Mugabe to date do not give us confidence for that.

Hon. Members mentioned the EU-African summit. The Prime Minister made it clear that neither he nor any senior Government Minister will be attending. As to other representation and who will attend from the Zimbabwean side if President Mugabe does not, we are not at that stage. We shall consider the appropriate representation as we get nearer to the summit.

As I said on Tuesday, we are keeping President Mugabe's knighthood under review. We agree that it is not appropriate that he has a knighthood, but it is not the most important or pressing issue on Zimbabwe.

**Mr. Lidington:** Will the Minister give way?

**Meg Munn:** No, I shall continue. It is not the most important or pressing issue, but the hon. Gentleman may have some news on it in the future.

The International Criminal Court was mentioned, and we believe that the matter is one for the court and for the Zimbabwean people. Zimbabwe has not ratified the Rome statute, so action by the International Criminal Court would require a UN Security Council resolution.

Sudan remains a top international priority for the UK. Respect for human rights in Sudan, and not just Darfur, is an integral part of our policy and we shall continue to work hard to improve the situation there. I was asked what support was being given in Darfur. The UK provides military and technical assistance in support of the north-south comprehensive peace agreement. We are focusing on the joint integrated units, which we want to create confidence between the armies of the north and south and secure the south, the transitional areas and Khartoum. Our training supports key peace-building activities including humanitarian work, de-mining, peacekeeping and English language training.

A number of hon. Members mentioned the situation in the Palestinian occupied territories. The Government's view is that Israel should not respond to actions by violent extremists by causing suffering to innocent Palestinians. Israel has expressed its commitment to avoiding a humanitarian crisis in Gaza, and we call on it to ensure that any response is in accordance with international law.

The right hon. Member for Tonbridge and Malling (Sir John Stanley) said that we are perhaps not saying enough about the humanitarian successes in Afghanistan. It remains a difficult environment. I have had the opportunity to meet one of its female MPs and

noted that, while that is progress, those MPs face incredible danger at times and are incredibly brave. The right hon. Gentleman was right to identify the fact that more than 5.4 million children are in school, over a third of whom are girls, and that enrolment in higher education has increased from 4,000 in 2001 to more than 40,000 today, of whom 19 per cent. are women.

My right hon. Friend the Member for Streatham (Keith Hill) raised the issue of Falun Gong. We are concerned about the harassment, detention and reported torture of Falun Gong practitioners, and continue to raise the matter with the Chinese Government.

On China in general, we commit considerable time and resources to our work on human rights there. We take a multi-layered approach, including high-level messaging to encourage progress at the top and project work to deliver more immediate results on the ground. We use the regular UK-China human rights dialogue to discuss in detail issues that are often difficult, including individual cases. My noble Friend Lord Malloch-Brown visited China in August and emphasised the positive effect that ratification of the international covenant on civil and political rights would have on China's international relations. It would reassure the international community that China is serious about improving human rights, and we have made representations to the Chinese Government both bilaterally and through the EU on a number of issues of concern, including individual cases.

Hon. Members raised the issue of meeting the Foreign Affairs Committee to discuss our engagement on human rights, and we regret that that has not been possible before now. I understand that in May, when he was a Foreign Office Minister, my right hon. Friend the Member for Makerfield met my hon. Friend the Member for Ilford, South and the right hon. Member for Tonbridge and Malling to discuss Tibet, and we shall invite the Committee to a meeting shortly. That will provide an opportunity to discuss specific objectives and the time frames for them.

We continue to value the EU-China human rights dialogue and are working closely with our EU partners to make it more effective. Hon. Members mentioned freedom of expression. We have made strong representations to the Chinese Ministry of Foreign Affairs about a number of incidents and we believe that China should lift its restrictions on freedom of expression both before and after the Olympics, to protect the rights of its domestic media.

Guantanamo Bay was mentioned by my hon. Friend the Member for Hyndburn (Mr. Pope). The British Government believe that the circumstances in which detainees are currently held indefinitely are unacceptable and that the detention facility should be closed.

The right hon. Member for Tonbridge and Malling raised the important issue of The Hague convention. We are disappointed that that issue remains unresolved, but, unfortunately, negotiations proved to be more complex and lengthy than was originally anticipated. We are keen for the convention to come into force as quickly as possible, and we are working closely with the Spanish to find a solution that is acceptable to all parties. We will notify Parliament about that as soon as it is possible to do so.

My hon. Friend the Member for Rhondda (Chris Bryant) talked about Russia. We have consistently voiced our concerns about restrictions on the legitimate work of NGOs in Russia, most recently raising our concerns at the EU-Russia human rights consultations on 23 May. Along with EU partners, we are actively monitoring implementation of the NGO law, and we repeatedly call on the Russian authorities to implement the NGO law in line with their international commitments.

My hon. Friend also raised the issue of Iran, whose poor human rights record is deteriorating. We are especially concerned about the increasing use of the death penalty, including its continued use against juvenile offenders, and about the growing restrictions that he outlined on freedom of expression and the rights of minorities. It is a long-standing policy of the UK and the EU to support reform in Iran and to stand up for the international human rights standards to which many Iranians aspire, and we have repeatedly called on Iran to abolish the death penalty. Most basic standards surrounding the use of capital punishment are absent, as my hon. Friend described graphically. Executions are often carried out in public and we have doubts as to whether all death sentences are the result of a fair trial.

My hon. Friend also discussed same-sex relationships. We are concerned about that issue and are monitoring it carefully. I note his concerns about the wording in the report and will look into that in more detail. I will also look into the issue of the Ahwazi Arabs.

I am quickly getting through a feast of paper here, which is probably just as well. Hon. Members also talked about India. The UK is opposed to the death penalty in all circumstances. On 7 November 2006, the EU made representations to the Indian Government against the death penalty. I note the issues that my hon. Friend the Member for Islington, North raised about the Dalits and exploitation in work.

I am pleased to have had the opportunity to take part in this debate, and I thank the Foreign Affairs Committee for its constructive and challenging engagement on human rights policy. We look forward to continuing and furthering that relationship as we move towards the next annual human rights report cycle. The universal declaration on human rights and the UN treaties to which we are party set out agreed standards and reflect our shared values. We will continue to promote and protect those values not only in pursuit of our international strategic priorities, but because it is the right thing to do.

*Question put and agreed to.*

*Adjourned accordingly at twenty-one minutes to Six o'clock.*

# Westminster Hall

*Tuesday 16 October 2007*

[MRS. JOAN HUMBLE *in the Chair*]

## Organic Food

*Motion made, and Question proposed,* That the sitting be now adjourned.—*[Ms Diana R. Johnson.]*

9.30 am

**Dr. Brian Iddon** (Bolton, South-East) (Lab): It is a pleasure to serve under your chairmanship for the first time, Mrs. Humble.

The debate about food has become extremely polarised in recent years, with those who advocate organic farming condemning so-called conventional farmers for their use of chemicals and their damage to the environment, not realising that conventional farming has changed for the better in recent years. The reality is that the two sides of this polarised debate are closer together than they sometimes think they are.

The debate is timely for several reasons. The Soil Association's organic fortnight was held in September and yesterday the National Consumer Council launched its second report, arising from its greening supermarkets project. In addition, the European Commission has introduced new Europe-wide laws on pesticides, which will be debated in a plenary session of the European Parliament on 23 October.

Organic farming is not just about returning to farming as it was before the green revolution, or before farming became industrialised as our populations expanded and the demand for food increased. It is actually a belief system that has its roots in the anti-science backlash propagated by the vitalists, who believed that life arises from, and involves, special life forces. The teaching of an Austrian spiritualist or mystic called Rudolf Steiner in the early 1920s gave rise to the modern organic farming movement. The early beginnings of organic farming have been captured in a recently published book, "The Truth About Organic Foods", by Alex Avery.

In the early part of the 20th century, Fritz Haber, a German chemist, learned how to fix nitrogen from the atmosphere as nitric acid. Probably about 60 per cent. of the people alive today owe their existence to the application of nitrate fertilizers that are derived from that acid. Bosch, at the German company BASF, was able to commercialise the Haber synthesis to produce the nitrate required for ammunitions manufacture during world war one, when supplies of naturally occurring nitrates were cut off to the Germans. Unfortunately, as well as emitting carbon dioxide, the Haber-Bosch process emits nitrous oxide, which has an impact on climate change 310 times greater than that of carbon dioxide. Fortunately, nitric acid plants can be fitted with a cerium-based catalyst that reduces nitrous oxide emissions by up to 90 per cent. Inclusion of that gas in the EU's emissions trading scheme would give European chemical companies an incentive to reduce their emissions of nitrous oxide.

The pioneers of organic farming believe that the synthetic nitrate fertilisers produce food that lacks vital forces imparted by animal manure. Steiner believed that the special forces possessed by animal manure come from far-away planets.

"Have you ever thought why cows have horns, or why certain animals have antlers?"

asked Steiner. He explained:

"The cow has horns in order to send into itself the astral-ethereal formative powers, which, pressing inward, are meant to penetrate right into the digestive organism....Thus, in the horn you have something well adapted by its inherent nature to ray back the living and astral properties into the inner life".

That is where the movement began. I would not have believed that people pat cow dung into cow's horns and bury them in the ground in the belief that they increase the vital forces in manure, until I saw the six recent television programmes in which one of the cast of "The Kumars at No.42" toured India. He went to an organic tea plantation in Darjeeling, where women sat on the ground patting cow manure into horns to produce special water to water on to the tea plants. If anyone thinks that that is fantasy, organic farmers still believe it, at least in certain parts of the world, today.

**Mr. David Drew** (Stroud) (Lab/Co-op): I think that my hon. Friend is talking about the biodynamic movement, which is very different from the much more generalist organic movement. As someone with a number of biodynamic farms in my area—Stroud is at the heart of the Steiner foundation in this country—I can share something with my hon. Friend, but there is a slight difference in emphasis.

**Dr. Iddon:** I am always willing to learn, and I thank my hon. Friend for his intervention.

The 1970 Nobel prizewinner Norman Borlaug has reminded us that to produce all the manure required to replace synthetic nitrogen fertilisers we would require an additional 5 billion or 6 billion head of cattle, all emitting the greenhouse gas methane. Apart from extra grazing land, even more land would be required to grow the food for those cattle. How many forests would that destroy?

An English botanist propagated Steiner's teachings, which were also adopted by Lady Eve Balfour, a boutique farmer who was the wealthy niece of Prime Minister Balfour. From world war two through to the 1970s she was the leader of the British and European organic food movement, and she helped to found the Soil Association, which is the largest organic trade and certification group in the UK today. Prince Charles and Lord Melchett, the policy director of the Soil Association, have followed in those footsteps.

Perhaps because of the influence of those people, the organic movement today is a powerful and popular movement. Whenever well-known people such as my right hon. Friend the Foreign Secretary, who described organic food as a lifestyle choice in a speech to the Oxford farming conference in 2007, or Egon Ronay, have raised questions about the hype that surrounds claims for organic food, there has been an over-the-top reaction, mainly from the Soil Association, so I realise that today I am skating on very thin ice. Nevertheless, we need a healthy debate about organic food and the often spurious claims made by organic farmers.

**Dr. Evan Harris** (Oxford, West and Abingdon) (LD): I congratulate the hon. Gentleman on his speech so far, and on his promotion of a rational view of chemicals and chemistry, and, indeed, science, during his time in this House. I bought some organic food at the Abingdon farmers market yesterday, and was pleased to do so, but I did it in the belief that it might be better for the environment, because organic farming is less intensive, not because I believe any claims by the industry body, the Soil Association, that it has proven health benefits. I support the hon. Gentleman in what he says about recognising that the Food Standards Agency was right to point out that the health benefits of organic food are unproven.

**Dr. Iddon:** I shall say something about that later.

A growing consciousness about the environment is fuelling sales of ethical foods in general. Ethical foods now include the following brands: Fairtrade, Leaf, which stands for Linking Environment and Farming, Freedom Food, which was set up by the Royal Society for the Prevention of Cruelty to Animals, and Red Tractor, which is run by Assured Food Standards. Prince Charles, of course, sells his organic produce under the Duchy Originals brand name. Sales of ethical food, including organic food, stand at £5.5 billion and are expected to rise to £7.5 billion by 2011. The public demand for ethical foods has resulted in the opening earlier this year of the American Whole Foods Market, in Kensington high street—a food boutique if ever there was one—and the rapid expansion of companies specialising in organic box schemes. There has been an explosion, too, in farmers markets selling free-range and local produce.

I am all in favour of greater profits for growers, which means cutting out the wholesalers, and I have always believed that cutting down the time food takes to get from the producer to the plate is good because it makes for tastier and more nutritious food for the consumer. The market has been driven by people's increasing concern for the environment, and by people who increasingly feel disconnected from the origins of the food that they eat. As food has got cheaper and more disposable, people have valued it less. Food scares, whether real or imaginary, have encouraged consumers to buy what is increasingly sold to them by the media as the healthy option.

**David Taylor** (North-West Leicestershire) (Lab/Co-op): I acknowledge much of what my hon. Friend said in his usual rational and scientific way, but does he acknowledge that organic produce sold at farmers' markets is at least grown locally or regionally to those markets? In fact, the vast majority of organic fruit and vegetables are imported, and they are often flown long distances. The environmental impact of that must be factored into the kind of equations that he is constructing. The airport in my constituency is the largest freight airport in the country. There are 160 or more freight flights a night over rural Leicestershire, sometimes in noisy aircraft, and many of them import food from the developing world.

**Dr. Iddon:** I shall refer to that issue later.

Organic food is described by the FSA as

"a holistic approach to food production, making use of crop rotation, environmental management and good animal husbandry to control pests and diseases."

There is

"restricted use of...fertilisers or pesticides"

and an

"emphasis on animal welfare"

and soil health. All organic food must meet minimum standards as set out in European Law. In the UK, the Soil Association is the main certification organisation. It claims that its standards are higher than those set by the EU. Of course, the Department for Environment, Food and Rural Affairs has overall responsibility for regulating the organic food production and distribution industry in Britain.

Organic food and food produced by conventional methods must meet the same food safety standards as those set by the FSA. Among other tests, the FSA analyses all foodstuffs for residual pesticides and food additives. On average, it takes farmers three years to convert from farming using conventional methods to organic farming credited by the Soil Association. Many farmers produce organic food without going through the costs of the transfer or accreditation process, but they cannot legally call their produce organic. The Soil Association believes that organic food, which is produced to high standards, is tastier, more nutritious, and contains fewer additives such as aspartame and monosodium glutamate, than food produced by conventional methods, although 30 additives are permitted in organic farming. The association claims that organic food is pesticide free and contains no food produced from genetically modified crops, that organic meat is free of antibiotics, and that there are no hidden costs of production. It also claims that animal welfare is better on organic farms and that organic farming is good for the environment.

Undoubtedly, some of those claims are true, but non-organic farmers can also make them. Organic food is bought by some 75 per cent. of UK consumers, at least occasionally, but it makes up only about 1.6 per cent. of the overall food market. UK farmers are capable of producing 70 per cent. of the organic food sold in Britain, but produce only about 45 per cent. Sales of organic pork are actually going down because of the cost of organic feed, which is increasingly imported.

According to the Soil Association, organic food and drink sales in the UK nudged the £2 billion mark for the first time in 2006, an increase of 22 per cent. on the previous year. To meet the increasing demand for organic food, buyers source their foodstuffs in far away places such as Chile, Kenya and Israel. A debate is raging about the damage that flying produce in from all over the world does to our environment. The justification for importing food that way is that foods such as strawberries can be made available throughout the year for British consumers, and that producing them out of season in the UK would be extremely costly and would require heated greenhouses.

Although the Soil Association can control carefully the production of organic food in this country, it is doubtful whether it can assert the same degree of control in the many countries from which the UK imports its organic produce, which gives plenty of scope for fraud. Wal-Mart, for example, has been accused in the USA of selling "organic" food that was in fact not organically produced.

Yields of organic crops are considerably lower than in conventional farming and more land is taken up by organic crops. Should we encourage developing countries to grow organic crops when, in many cases, they have a problem feeding their rapidly expanding populations? There is also the question about whether growers in developing countries receive a fair price for the produce that they export to Britain. Yet more land is taken up by growing crops that produce natural pesticides such as, for example, chrysanthemums, from which pyrethrum is extracted in Kenya and Peru.

There is a growing realisation that industrialisation of farming has damaged the environment, and there is a return in conventional farming to planting hedgerows, which leaves buffer strips of land in which wildlife can develop and survive, and crop rotation is coming back big style.

Market gardening and farming was part of my life until I entered university in 1958. We produced organic food, although that was not our intention. It was difficult to keep aphids off the lettuce, and I dug many failed crops under as a result of infestation—we simply could not sell those lettuces. The only pesticide in the early 1940s was nicotine, which we piled and burned in our greenhouses. Similarly, we lost tomatoes to rust—a fungal growth on the stems of the plants— and our fruit was full of grubs and our root crops were similarly infested.

My father and others like him in farming and market gardening were extremely pleased when chemistry came to our rescue with its so-called green revolution, which delivered pesticides and herbicides that prevented the destruction of our crops by various pests and weeds. Yields increased remarkably, and our business became financially viable. How many organic growers in Britain could today survive if they were not surrounded by non-organic growers that keep pests off their crops—the so-called umbrella effect, which I believe to be real? I do not wish to go back to the good old days that I described of food production in the 1940s.

In the past 10 years there has been a 19 per cent. reduction in the volume of synthetic pesticides, as farmers switch to newer and better products. In any case, as I explained, the FSA regularly tests the levels of residual pesticide on all food, whether produced organically or conventionally.

In August 2007, the Crop Protection Association welcomed the Soil Association's acknowledgement at Hay-on-Wye that organic farmers use pesticides, which it had denied for most of its existence. Indeed, copper sulphate, pyrethrum—a nerve toxin and potential carcinogen—and other chemicals used by organic farmers are probably more dangerous to the environment than the pesticides used in modern farming. Organic farmers would like us to believe that organic foods are uncontaminated by chemicals when they are not. The organic pesticide rotenone, which is sold as Derris powder, is highly toxic to humans, yet organic farmers are allowed to apply it right up to harvest. It persists for a particularly long period on olives and is concentrated in olive oil. Farm workers who spray solutions of bacillus thuringiensis, a soil bacterium that produces a protein that is toxic to caterpillars, have reported respiratory problems, and it causes fatal lung infections in mice, yet organic farmers insist that what is natural is safe and that synthetic chemicals are extremely toxic. That is nonsense.

Biocontrol of pests has been effective in some circumstances, especially for protecting high-value crops grown in greenhouses, but biocontrol often involves the importation of non-native species, with all the dangers that that might entail.

The idea of organic food has been hijacked by modern supermarkets to increase their profits. Indeed, according to research conducted by Morgan Stanley in 2005, organic food is 63 per cent. more expensive than food grown by conventional farmers. The notion that organic food is tastier than food grown by conventional methods is not proven. Similarly, according to the FSA, the president of the National Farmers Union, Peter Kendall, and others, there is little evidence that organic food is more nutritious.

**Mark Williams** (Ceredigion) (LD): Does the hon. Gentleman agree that the localist agenda is implicit in the organic debate and that supermarkets are hugely hypocritical given some of their processes? I am thinking in particular of an infamous case in my constituency—that of the Lampeter carrots. They were shipped to Peterborough for packaging and sent back to Bristol for sale, with obvious and serious carbon footprint implications.

**Dr. Iddon:** I am afraid that carrots are a contentious issue with the Soil Association and with Prince Charles.

Milk contains higher levels of short-chain omega 3 polyunsaturated fatty acids if the cows producing it are fed on grass and red clover, but those do not seem to have the same health promoting benefits as the longer-chain omega 3 polyunsaturated fatty acids that are found in oily fish diets.

Nor are organic foods safer than conventional foods. Organic foods grown in soil fertilised with manure are at greater risk of being contaminated by mycotoxins, or fungi. Fungal toxins are a particular problem in organic foods because all effective fungicides are synthetic in origin and prohibited for use by the Soil Association. Copper sulphate and sulphur, which are used, are far less effective.

Organic potato crop yields are lowered to 50 to 60 per cent. of conventional potato crop yields because fungal diseases, such as the blight phytophthora infestans, affect the crops badly. The FSA has reported that organic corn meals have significantly higher contamination rates with the dangerous mycotoxin fumonisin. In some climatic regions, ergot, which causes ergotism—otherwise known as St. Anthony's fire—is a considerable problem with cereal crops. It killed hundreds of thousands of people in Europe in previous centuries.

Eggs without the Lion mark are more likely to be contaminated with salmonella. A study in Denmark in 2001 showed that organic chicken is three times more likely to be contaminated with campylobacter than conventional chicken. Incidentally, it is also three times the price.

People who have eaten only organic foods during their lifetime are no healthier than the rest of us and do not live longer either. The pioneers of organic farming were idealists. They were anti-science and had an

*[Dr. Iddon]*

antagonism for market-driven capitalism. Ironically, their ideals have been hijacked today by the market economy.

The existence of magazines such as *Organic Life* suggests that the Foreign Secretary may have been right when, as the Secretary of State for Environment, Food and Rural Affairs, he said that organic farming and organic food sales were about a "lifestyle".

I am not against organic farming—let me get that straight—but those who promote it should tell it as it is and not hide from the facts or mislead the public as they have done regularly in the past. Like all markets, the foodstuffs market, with its plethora of products and brand names, is becoming a very confusing area for consumers. We should not lose sight of the central message that a diet high in fresh fruit and vegetables, safely produced and affordable, and low in processed foods, with their high sugar and salt contents, is better for all of us.

9.51 am

**Graham Stringer** (Manchester, Blackley) (Lab): I would genuinely like to congratulate my hon. Friend the Member for Bolton, South-East (Dr. Iddon) on securing the debate, which is on an important issue. He has been through many of the issues that I wished to touch on and I shall try not to repeat what he said, but I will follow a generally similar line of argument.

I would like to say first, as my hon. Friend did when he finished his speech, that I am not against better welfare for animals or better production methods on farms and trying to produce a farming product, whether it is an animal or a vegetable, of as good a quality as possible, with the least damage to the environment. There is a general consensus that that is a good thing. Unfortunately, the label "organic"—which is a bit of a misnomer; as though there was some other kind of farming—has come to mean "good" and that all the rest is bad. That is inappropriate.

Before getting into the detail of what I want to say, I shall quote C. S. Prakash, a famous and distinguished plant biologist, who said:

"Organic farming is sustainable. It sustains poverty and malnutrition."

That is the worry with following the line of argument that many of the people who lead the organic movement follow.

This debate allows us to explore two issues. First, what are the Government and the EU's policies towards organic farming? Are they consistent? Is it right that we are putting subsidy and support into getting farms to transfer to become certified by the Soil Association, and is it right that that association is recognised as the certification agency? There is a larger issue, which concerns everybody in relation to the complicated issues that face people in this country and on the planet generally. How is science being helped to improve the difficult situations that people face in world farming and in trying to feed everybody on the planet and to ensure that people are not poisoned but have safe food? Those are the two main issues that my hon. Friend has allowed us to debate today.

I shall not repeat my hon. Friend's points about Rudolf Steiner and his bizarre beliefs about biodynamic agriculture and forces, except to slander him some more by reminding people that the man did join the Nazi party as well as holding those other strange beliefs. There is no doubt that when Lady Balfour set up the organic movement and the Soil Association, it was his ideas that she had in mind.

In a sense, that would be completely irrelevant if the organic farming movement now was following sensible, rational, evidence-based policies, but then we get to people such as Patrick Holden, who ran the Soil Association. He dismisses the possibility and even the sense of having scientific tests on the claims that are made by the organic farming movement and the Soil Association. It is a similar position to that taken by the homeopathic movement. Basically, he says that organic farming is holistic, integrated and joined-up; therefore, it is not subject to scientific testing. That is mumbo-jumbo; it is hokum.

**Dr. Evan Harris:** May I support the hon. Gentleman in what he is saying? I remember a debate at the Royal Institution to which Patrick Holden came. He said that there has to be room in public policy for an irrational approach and that a rational approach—a scientific approach—could not always be the way forward. I think that, when we are dealing with the livelihood of the competition to the Soil Association, the health and safety of food and, indeed, the future of our environment, we rely even more on a rational, science-based approach.

**Graham Stringer:** I could not agree with the hon. Gentleman more. Holden's view is really an "Animal Farm" view of four legs good, two legs bad, because he clearly says that synthetic chemicals are bad and natural chemicals are good as though there is any difference. It is like the people who campaign against fluoride in tap water. People think that there is good fluoride, which is natural fluoride, and there is bad fluoride, which has come from an industrial process. They forget that all the fluoride atoms and ions were made 6 or 7 billion years ago in the centre of a dying nuclear star and they are exactly the same chemical. It is nonsense and leads to an irrational application of the principles.

My hon. Friend the Member for Bolton, South-East mentioned bacillus thuringiensis—I apologise if I have not pronounced that accurately; I shall call it BT for the rest of the discussion—which is allowed under the Soil Association's rules.

**David Taylor:** A number of speakers have referred to the importance of taking an evidence-based approach. Does my hon. Friend agree that it is a pity that the FSA is not rather speedier in responding to evidence in areas such as food additives? Only under pressure from worried consumer groups did it acknowledge that certain E additives to food were likely to worsen the behaviour of children who, for instance, were subject to attention-deficit hyperactivity disorder. The FSA, if it is the guardian of a science-based approach, is not always impeccable in what it does, is it?

**Graham Stringer:** My hon. Friend makes a point about timing, and we all wish for things to happen more quickly. I do not necessarily accept his point about the lack of objectivity of the FSA. It has a lot of information to gather and must get it right. I shall return to some of the FSA's points.

BT is a pesticide allowed by the Soil Association that contains 130 toxins when sprayed, but the Soil Association does not allow genetically modified plants such as maize or soya to be used if one gene has been removed from BT and placed in the plant, although that is more specific in repelling particular caterpillars and beetle larvae. The Soil Association rejects the less damaging process and allows the more damaging one. That is completely irrational, as is permitting the use of copper fungicides and not other pesticides.

**Mr. David Drew:** I do not agree with my hon. Friend about GMOs, as a rationalist view is emerging on the matter. On his point about science, we had an interesting session at the Department for Environment, Food and Rural Affairs yesterday to consider vaccination for bovine tuberculosis. The parallel is that we do not know whether we will find the answers. There is a pervasive view that science will always find the answers. If organic food, because it is unnecessary, is considered bad and GMOs good, some of us will reject that. It is far too simplistic, and the public are on to something when they themselves reject it.

**Graham Stringer:** I was really talking about the Soil Association's inconsistent attitude. I do not think that the debate about GM foods is simple; there are many factors to be taken into account. I am arguing for a rational, evidence-based look at the issues, rather than one inspired by late 19th and early 20th-century mysticism.

There is no doubt that organic food is becoming more popular. It is claimed that it tastes better, is healthier and safer and benefits the environment. I think that most people agree that fresh food tastes better, but when the Advertising Standards Authority considered the academic studies and did its own tests, it found no taste difference between organic food and food not labelled as organic. Obviously, in some cases organic food will taste better and in some cases it will not.

Is it healthier and safer? In January 2007, my noble Friend Lord Rooker said:

> "I repeat: no unsafe food is on sale. No one can claim that their food is safer than anyone else's. Any unsafe food would be illegal if it was on sale."—[*Official Report, House of Lords*, 25 January 2007; Vol. 688, c. 1315.]

That is quite clear. One of the arguments given against the safety of non-organic food is that the use of pesticides is allowed. We have heard that pesticides may be used on organic food, but what is not usually mentioned in Soil Association propaganda is how much pesticide may or may not be present on organic and non-organic food. It is present in such small amounts that it is unlikely to do any harm. There is no evidence that it does any, and as Sir John Krebs from the Food Standards Agency said recently, coffee has many more naturally occurring residues than are present in food grown non-organically in this country.

**Mr. James Paice** (South-East Cambridgeshire) (Con): Is not the hon. Gentleman's last sentence the nub of the issue? Many plants in this world contain naturally occurring substances that are highly poisonous if taken to excess. If those substances had been invented by scientists rather than developing naturally in the plant world, they would almost certainly be banned.

**Graham Stringer:** The hon. Gentleman makes two pertinent points—one about the testing of natural or synthetic chemicals to know whether they are safe, and one about the dose. Those are the key issues, not some mysticism about where they come from.

The hon. Member for Oxford, West and Abingdon (Dr. Harris) said—and we would all agree—that we want an improved environment. One of the claims for organic farming is that it is good for the environment. An experiment called the Boarded Barns farm experiment was done in Ongar, Essex, comparing organic farming with integrated farm management and conventional farming. It found in virtually every case that integrated farm management was more productive, because 50 per cent. more land was often needed for organic farming—as well as more manure, as my hon. Friend the Member for Bolton, South-East said.

Rather surprisingly—the statistics are extremely difficult to obtain—it appears that integrated farm management, rather than organic farming, is better for biodiversity and bird life. One of the issues that the Soil Association and the organic farming movement often do not address is that organic farming requires an enormous amount of field ploughing, which destroys worms and makes it much more difficult for bird life to survive. In a parliamentary answer, my hon. Friend the Member for Brent, North (Barry Gardiner) mentioned

> "the inherent environmental benefits delivered by farming organically."—[*Official Report*, 16 April 2007; Vol. 459, c. 90W.]

I ask the Government to look at the Boarded Barns farm experiment and consider whether they can sustain and justify that position. I do not believe that it is justifiable.

There is undoubtedly a great uneasiness out there about science. It has been caused, for instance, by BSE and the problems 40 years ago with thalidomide. Those two issues caused a lot of damage and death—we do not yet know the extent of the damage—but it would be a mistake to replace scientific assessment with something else. The fact that science does not always get it right is no excuse for moving away from the scientific method.

One of the so-called successes of the Soil Association and the more extreme parts of the green movement—well, less extreme, I suppose—was the more or less worldwide abolition of the use of DDT following the publication in 1962 of Rachel Carson's "Silent Spring", which was taken up by the Soil Association. It has been said that DDT causes cancer of the liver. "Silent Spring" said that it was responsible for the decline in this country of the osprey population, the decline of peregrine falcons and the thinning of eggshells. Latter inspection has showed that none of those claims is true, but DDT has been banned more or less around the world. Aid agencies will not support countries, such as Uganda, that continue to use DDT. Over time, that has led not to a relatively small number of deaths such as those from BSE nor—I would not want to minimise it—to the sort of damage done to a number of human beings by thalidomide but to millions and millions of deaths around the world, and especially in the third world. Nevertheless, banning the use of DDT is claimed to be one of the successes of the movement.

*[Graham Stringer]*

The debate is therefore a plea for people to take a rational look at the huge problems that confront us. We seem to have got ourselves into a situation in which the Soil Association has taken over, with the Government putting its members on quangos and certifying certain things, but what lies behind it and what it is doing is essentially irrational. I believe that we have lost the public relations argument—that we have lost the battle of spin—and that, in the short term, the rationalists have lost to the irrationalists. If that continues—if we try to approach the huge problems of global warming in the same way—then we will make the wrong decisions. That will be costly, and only the populations of richer countries will be able to afford to eat.

Again, I thank my hon. Friend the Member for Bolton, South-East for giving us the opportunity to debate the subject.

10.11 am

**Dr. Evan Harris** (Oxford, West and Abingdon) (LD): It is a pleasure, Mrs. Humble, to speak under your chairmanship. I had not intended to speak but merely to support my good colleague, the hon. Member for Bolton, South-East (Dr. Iddon), on this important issue. He spoke with typical expertise, and I am sorry that I shall not be able to stay to hear the responses to the debate. However, a couple of fresh points need to be made about the role of lobbyists.

First, I congratulate the hon. Member for Manchester, Blackley (Graham Stringer) on his contribution. He was absolutely right. I am delighted that he drew attention to the disaster that was the attack on using DDT as an anti-malarial, even for indoor spraying. It was never implicated in the allegations over the impact of wider spraying in agriculture, which were proved to be false. It is a tragedy that, even today, some developing countries are still arguing that they should have the tool of affordable and effective anti-malarial mosquito treatments such as DDT. There are still questions on whether the position of the Department for International Development in supporting those countries' using DDT for indoor spraying is ethical and appropriate.

I turn to the role of those lobbying for organic food. I put my position on record. I enjoy eating organic food as an option. The choice should be available. I know that the hon. Member for Bolton, South-East is strongly in favour of consumer choice, and from our perspective no one is talking of restricting it. I recognise the efforts of organic farmers to make provision for animal welfare, which is important. I also recognise that organic farming is one form of less intensive agriculture, and that when the environment is under pressure or in danger from over-intensive agriculture, it can be a solution to environmental blight.

There is a question about whether—in practice and not in theory, because if we did things differently we would have enough food for the world—the world could afford to cope with the reduced yields that would be consequent upon a mass switch from intensive to less intensive farming, particularly those on the margins who might not get the food that they need.

I recognise the environmental benefits that could flow from organic farming as an example of a less extensive form of farming. However, as the hon. Member for Bolton, South-East stated, it is a multi-billion pound industry. The same questions, the same scepticism and the same rigour must be applied to lobbyists and industry trade associations for that industry as we rightly apply to lobbyists and trade associations for other multi-billion pound industries. I think of the pharmaceutical industry, which is "guilty" of producing drugs that cure people of their illnesses, not merely providing dietary choice. I believe that we do not provide that degree of oversight and scepticism about the organisations that lobby in the direct financial interests of their members—in this case, for organic farmers. The Soil Association is very effective at doing so. That is its job. However, it is not independent, let alone a scientific advisory group, but an industry trade body with a vested financial interest.

That is why we are right to ask why its view is given credence, unsubstantiated by recognition of what always happens in agriculture—for example, that there should be an impractical limit on the amount of coexistence of genetically modified products in low quantities in crops from organic farms. The European Union has a reasonable and practical limit and there has always been an adventitious co-mixing of different types of crop in agriculture, yet the Soil Association goes for a limit that is 10 times lower, which is almost impossible to meet and has never been applied in agriculture in other areas. It does so because it wants to do down competition from other forms of less intensive agriculture, such as the use of GM technology. The association has a right to its view, and it has no problems in expressing it, but the House and the media should apply due scepticism because of its vested financial interests.

I shall not repeat the remarks of the hon. Member for Manchester, Blackley about the association's approach to science, but I take the opportunity to defend the Food Standards Agency against the allegation that it has been non-scientific in its approach to organic food or food additives. Based on science, the FSA has taken exactly the right approach in response to recent research on food additives. Indeed, the detail shows that there simply is not enough information to argue for bans on specific products.

Similarly, when Sir John Krebs, the chairman of the FSA and a constituent of mine, rightly pointed out that there was no good scientific evidence for a health benefit of organic food he was roundly criticised. Despite the fact that he is the independent, academic chairman of an independent agency that was rightly set up by the Government to give the public confidence, he was attacked for showing bias in pointing out what is now recognised—that there is no evidence base for health benefits from organic food. It has been alleged that the FSA had caved in to lobbying from non-scientific consumer organisations with various vested interests; I applaud the fact that the agency has taken that view.

As for vested interests, it is important to mention Prince Charles, as far as is permitted by the rules of the House. He is the heir to the throne, and he therefore does not allow himself to be questioned by Members of Parliament or the media, as is expected of every other player. For instance, Ministers have to be interviewed on the "Today" programme.

**The Minister for the Environment (Mr. Phil Woolas):** Too often.

**Dr. Harris:** From a sedentary position, the Minister says too often, but I can go in his place if he wishes.

Ministers and others have to defend their arguments and they come before Select Committees to put their point of view, but Prince Charles does not because of his role. However, he has a financial interest in promoting organic farming, and he promotes organic food in his speeches and writings. That is fair enough—at least it is open. What concerns me is that the heir to the throne should seek to use his influence behind the scenes, in personal and private communications with Ministers that are not revealed under the freedom of information legislation. It cannot be right for someone to behave like that when they are in such a position—with a financial interest because of the work of their estate. As far as I am able, I question whether that can be right, and I urge those who advise the prince to bear in mind the issues that I have mentioned.

I conclude by once again thanking the hon. Member for Bolton, South-East for bringing the subject matter of the debate before the House. It is about time that we were able to put arguments for, as it were, the other side, and I apologise once again for not staying to hear the closing remarks.

10.20 am

**Mr. Roger Williams** (Brecon and Radnorshire) (LD): It is a great pleasure to serve under your chairmanship, Mrs. Humble. I congratulate the hon. Member for Bolton, South-East (Dr. Iddon) on introducing the debate, which is a timely one. I did not anticipate that I would be speaking quite so early on, and I expected more hon. Members to contribute. However, my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris) has entered the fray and made a valuable contribution. I anticipated that more hon. Members who support the organic farming movement would be present to put their point of view, but perhaps the reputation and rigorous approach of the hon. Member for Bolton, South-East on these matters deterred them.

The hon. Member for Bolton, South-East has been very fair in his remarks this morning. I do not think that any hon. Member present would want to imply that organic farming should not be an integral part of British agriculture. What we are saying is that organic food and organic farming should be subject to the same tests as for all food production, and that those tests should be carried out objectively so that the public can be assured that the food they are eating is safe and reflects the claims that are made for it.

I want to congratulate the organic movement and compare it in some ways with the fair trade movement. Those are two strands of agriculture that have really engaged with the public, and the great benefit that that has brought to the food industry in this country is that consumers have been encouraged to question the origin of food, the way in which it is produced, and the return that is given to the producers. That inquiring frame of mind is good for the industry, because we need consumers who are knowledgeable and capable of making choices.

As has already been said, organic food should be tested on a number of criteria. Food safety is one, and is a key issue. There is a lack of clarity in the claim that pesticides are not used—whether straightforward ones, or herbicides or fungicides. Hon. Members have given examples of certain substances that have been used in organic food production that have questionable implications.

I do not believe that the health benefits of organic food have been properly tested. I agree with the National Farmers Union that the organic food movement should not make claims against other forms of production. That is unfair. The hon. Member for Manchester, Blackley (Graham Stringer) said, I think, that no food should be sold in this country that is unsafe. Consumers should be able to have confidence that that is the case.

Animal welfare is another issue. Over the years, conventional agriculture has not had a good record on that, and if the organic movement has progressed the thinking on it, it has achieved a lot. I think particularly of the use of antibiotics in conventional agriculture —both to prevent disease and for growth promotion. That has led to antibiotic resistance that has implications not only in animal production but in human health as well. The same concerns apply to the use of anthelmintics in animal production.

I wonder sometimes why the organic movement is against vaccination in general but very much in favour of it in relation to foot and mouth disease. I have no doubt that that will be explained now that I have raised it in this debate.

A number of claims have been made on the environment, but the hon. Member for Manchester, Blackley was quite right to refer to the problems of deep ploughing in organic production as a means of weed control. In conventional agriculture, the move is towards minimal cultivation, with less energy use and less herbicide use too. Plants will not grow without nitrogen, so it has to be found somewhere—whether in organic or inorganic fertilisers or from nitrogen fixation by legumes. A standard organic rotation with the use of clover to build up fertility requires the ploughing up of the clover to allow planting of grain crops or cash crops. The plant breeding objective of trying to get nitrogen fixation into cereal crops has so far been unsuccessful.

Carbon emissions are an important issue. Current estimates of the contribution of British agriculture to greenhouse gases vary, but a figure of 7 per cent. has been proposed. Of that 7 per cent., however, it seems to me that at least 50 per cent. comes from nitrogen oxides that are made either in fertiliser production or as a result of emissions from the soil after the use of inorganic fertilisers. Some 33 per cent. is from methane, and perhaps only 16 per cent. from carbon emissions from fuel use and other sources.

It is questionable whether organic farming can contribute to lowering carbon emissions. Although the inputs are lower, and the energy use is probably lower, the output is lower as well. The thing to look at is the units of greenhouse gases produced per unit of food.

Another issue is taste and consumer preference, and I am all for customer choice. In my constituency is Graig Farm Organics. When I talk to the head of that organisation, he puts great emphasis on food handling—particularly of meat, so that it is not rushed from slaughterhouse to plate and so that time is given for carcases to mature and be presented to the customer in the best possible way. I am sure that the taste that is often claimed for organic food is very often due to its handling, and the same techniques could equally be applied to conventional food.

*[Mr. Roger Williams]*

An issue that has not been touched on today but that will become more important is that of food security and of competition between the use of land for energy production and for food production. We should consider the absolute quantities of food that any one piece of land can produce, because there is going to be competition for that land for energy production as well as food production. I am very concerned about the destruction of the Amazon and other rain forests for the production of food and energy. If there is a reduction in food production because of a move to a less intensive system, we shall obviously need more land, which raises the possibility of more rain forests being destroyed.

The variations in certification are another issue. Although a unified scheme across the European Union provides at least a minimum standard—the Soil Association claims to have higher standards—without doubt in other countries certification is either less rigorous or less well observed. Organic producers in this country could be at a serious disadvantage if it is claimed that imported food is organic when it does not meet the same criteria as our food. Will the Government ensure that when food comes into this country it meets the same standards as are required from our producers?

A great range of agriculture is carried out in this country, from organic to very intensive, but there are a huge number of levels in between, too. Not only that, but nowadays, with the single farm payment and cross compliance, environmental considerations are at the heart of the Government's support for agriculture.

I want particularly to mention LEAF—Linking Environment and Farming. It promotes a responsible level of input, so that it is not put on in excess. Farmers cannot afford to do that because of the costs of the inputs, and they also have a detrimental effect on the environment.

Organic farming has, I believe, played a valuable part in re-engaging the consumer with food production. Government support is needed to ensure that the demand for organic food is at least met in the medium term because of the costs of changing from conventional to organic farming. I also support the hon. Member for Bolton, South-East in urging the Government to ensure that all food in this country meets the same standards for food safety. It is only then that the customer can have confidence in what he is eating and can make the choices that are needed.

10.32 am

**Mr. James Paice** (South-East Cambridgeshire) (Con): I am happy to serve again under your chairmanship, Mrs. Humble.

I want to congratulate the hon. Member for Bolton, South-East (Dr. Iddon) on securing the debate and on dealing with an important subject in such a reasoned way. I confess that when I was asked to come and speak on behalf of the Opposition on organics, I had a horrible feeling that I was going to listen to a series of eulogies on the benefits of organic farming and that I would feel that it was all very difficult. I think that most people know that I am personally slightly sceptical about the benefits of organic food, but I want to represent a balanced position and some of my colleagues take a different view on the subject.

The debate reminds me that a long while ago, there used to be car stickers that said, "Don't criticise farmers with your mouth full". Much of the debate reflects the fact that we are well fed and looked after, that we have got used to having plenty of food ever since the war and that we can give ourselves the sort of benefits and luxuries that organic food in some ways provides. I feel that the reasoning is slightly the same as that behind why people go out and buy branded trainers and T-shirts and so on. They might be twice the price, and there might be no evidence that they are any better, but it somehow makes people feel better that they have something with one of the famous brands on it.

We cannot get away from the fact that organic food is the fastest growing sector of the food market, which is basically, for obvious reasons, a stable market. It saw a 22 per cent. increase last year and passed the £2 billion mark. It is still a very tiny sector of the market, but, nevertheless, it is the only bit that is growing and it is very important. What has changed is that many of the farmers who are producing organic food and farming organically are not doing it out of some personal absolute conviction of the benefits, but because it is a market opportunity. A large vegetable and salad producer in my constituency already has 1,500 acres converted and more land in conversion. That is all going to lettuce, celery and such salad crops. That demonstrates the scale of the business.

Of course, the vast majority of our organic food is imported. The points that several hon. Members have made about the different standards around the world are extremely important. There are 11 different certification bodies in this country—I hope that that is right, but the Minister will correct me if it is not. In any case, it is a lot. That in itself worries me because, as we have already heard, they do not all have the same standards. We know that other countries in Europe operate on the minimal European standard and my understanding is that outside Europe, exporting countries simply need to be recognised as applying equivalent standards and inspection regimes. However, they seem to be a variable feast.

Ultimately, what worries me is the consumer. I passionately believe in choice, which has been mentioned several times, but that choice has to be based on accurate information. I seriously wonder whether, if we were to challenge a range of consumers who buy organic food, they would be aware that one packet of organic something or other might not be produced to the same standards as something else that was labelled organic. I strongly suspect that for most consumers, organic is organic, and the different standards are of meaningless consequence. I have a great concern about whether the consumer is being misled by the range of different organic standards not only in this country but in those countries from which we import a huge quantity of product.

I do not intend to waste the Chamber's time by going into the rights and wrongs of organic food; other hon. Members have done a much more successful job of analysing those points than I would. However, we need to consider what comes next. Those who advocate organic food—many people have referred to the Soil Association, as it is the largest body in this country—would obviously like to see far more land converted to organic production and to put pressure on the Government, and the Opposition parties, to have policies that encourage

organic farming. However, I cannot help recalling a few years ago, when there was a lot of support for organic farming and a lot of dairy farmers converted to organic milk production. The result was that the price collapsed as there was not the demand for organic milk at that stage, and the farmers found themselves having to sell highly expensive-to-produce organic milk on to the ordinary milk market. They lost a great deal of money, and to me the lesson of that is that if production is artificially stimulated ahead of demand, that invites trouble. I have a big question mark in my mind about whether there is a role for Government artificially to stimulate organic production any more than the market already does. Obviously, as I have said, it is a great market opportunity and if producers want to fulfil it, it is only right and proper that farmers, who are increasingly encouraged to consider what the consumer demands, should be able to do so.

Hon. Members have gone through some of the contradictions about chemicals, pesticides and other things, and I will not repeat them. I strongly suspect that the consumer does not understand that and that the consumer believes that what organic means is that a product has not been treated with chemicals. That is a fundamental misunderstanding. However, the biggest issue is the confusion to which several hon. Members have referred between local food, fresh food and organics. There is a huge amount of confusion. I like to eat fresh food, and I like to eat local food. Personally, I am not worried whether it is organic or not because I think that freshness and the fact that it is local, which often goes with that, are far more important in terms of taste, quality and so on. Again, however, there is an issue here: some people have, perhaps, confused others unintentionally.

The hon. Member for Brecon and Radnorshire (Mr. Williams) referred to energy, which is very important to think about in today's world. There seems little doubt that, overall, organics are friendlier to the environment in terms of energy consumption—estimates reckon they emit about 26 per cent. less carbon. However, that ignores the points made by the hon. Member for Manchester, Blackley (Graham Stringer) about deep ploughing and other issues about the environmental impact beyond the direct issue of carbon emissions.

**Dr. Iddon:** Is the hon. Gentleman aware of a study carried out for the Department for Environment, Food and Rural Affairs by the Manchester Business School, which shows that in actual fact organic farming might be more expensive in terms of energy than conventional farming—the reverse of what he just said?

**Mr. Paice:** I confess that I am not aware of that study and I shall look it up readily later. I am grateful to the hon. Gentleman for drawing it to my attention. Perhaps that is the price of following a brief that came from the other side of the argument.

I want to touch also on the issue of food security, which has been referred to by a number of hon. Members. I take the view that this will be of increasing importance in this country. There is an apparent contradiction between lower yields from organics and the demand for more and more food production. I understand that the lower yields vary very much depending on the type of product. For salads, the difference is marginal—5 or 10 per cent.—and in dairy foods it is about 15 per cent. However, for bulk commodities, such as grain, the difference in yields between organic and conventional farming can be about 40 per cent. Obviously, that is a horrendously large number and would have a huge impact on food security.

Those are the figures for north-west Europe. The organic movement claims, however, that in much of the rest of the world, and particularly the developing world, there is virtually no difference. The movement seems to argue, therefore, that everything is perfectly all right. I would point out, however—I think that the hon. Member for Bolton, South-East made this point—that agriculture in those countries is very under-developed. They do not use what most farmers would describe as modern technologies to produce their crops and aid self-sufficiency. I think that if we all adopted the same standards, we would find the same difference in production across the world, which has huge benefits. That is why I started my remarks by saying that we should not criticise farmers with our mouths full. We should never forget that, ultimately, we need to keep people fed.

I want to touch on the issue of genetically modified foods as well, which obviously is a hugely vexed issue. I have little doubt that generally people in this country are completely opposed to it, which is why there are virtually no GM products on the market, although a lot of livestock products have been fed on GM foods. My personal view—I stress that it is a personal view—is that the organic movement will live to regret discounting GM foods in the way that it has done. I believe that GM foods have the potential to achieve a great deal of what the organic movement seeks to achieve—a reduction in the use of artificial chemicals to aid production. GM foods could do that. The obvious example is that if we could produce a wheat with its own nitrogen-fixing nodules, such as those in legumes, we could reduce massively the demand for nitrogenous fertiliser, which we have all referred to, in different ways, as one of the major agricultural emissions. I feel that the organic movement has made a fundamental error there. I do not know how long it will be before it thinks twice about it.

I was interested in the comment by the hon. Member for Bolton, South-East about the origins of organics. I am much more of a practical man, and was interested in the way in which he described the purpose of horns or, indeed, antlers—about how they are all part of the digestive process. I am lucky enough to own a small herd of pedigree highland cattle with very large horns and can see uses for those horns much more prosaic than aiding digestion, and sometimes I am on the wrong end of those prosaic uses.

I congratulate the hon. Gentleman on obtaining this fascinating debate. I shall pay him the credit of rereading what he has just said, which is not something that I often do, I must confess. It was a very worthwhile introduction. I believe strongly in choice, but that choice must be on the provision of accurate information. Like other Members, I object strongly to conventional farmers criticising organic farmers as a bunch of cranks, but equally I share strongly the views of everybody who has said that organic producers and the organic movement should stop suggesting that everybody who uses pesticides is out to poison the world. That is blatantly untrue. I am

*[Mr. Paice]*

quite certain that if it had not been for the development of pesticides in the last 60 or 70 years, most of us would be going hungry today.

10.45 am

**The Minister for the Environment (Mr. Phil Woolas):** It is a great pleasure to serve under your chairmanship, Mrs. Humble, and to reply to this debate on behalf of Lord Rooker, who is the Minister with direct responsibility for the matter before us. In my view he is one of the best Ministers that any Government have been fortunate enough to have serving them. He is an incredibly successful and hard-working Minister.

I am in danger of agreeing with the hon. Member for South-East Cambridgeshire (Mr. Paice). I suppose that I might be accused of pinching his policies if I say that I agree with his summing-up on the point about choice and the accusations and counter-accusations. My hon. Friend the Member for Bolton, South-East (Dr. Iddon) is to be congratulated. This is the first debate in the House on this subject for two years. I wish that the media would report the debates in this House, and in this Chamber in particular, with greater coverage. I think that we have had a most stimulating and well-informed debate today.

My hon. Friend is a scientist, and it is characteristic of science not only that it must use deduction in order to make a point, but that it makes testable propositions. If a proposition is not testable, it is probably meaningless. The question that faces us, therefore, is: what methods do we use to test the claims? My Department tests its policies on science. We are one of only two Departments with our own chief science officer and a network of access to science that, in my experience, is unparalleled in environment Departments in countries of a comparable size—the United States is probably the only one that could claim greater reach.

Despite increases in recent years, organic farming remains a very small part of food and farming in our country. Some 3.5 per cent. of the total agricultural area is under organic management. The market for produce is between 1 and 2 per cent. of the total. Nevertheless, as I say, it has experienced phenomenal growth in recent years and is now, I believe, established as a permanent feature of the food and farming landscape. On the geographical coverage, in 1997—I pick the year because it is 10 years ago, and not in order to make a partisan point—the area under organic management in the United Kingdom was a little less than 51,000 hectares. By the beginning of this year, that figure was 620,000, of which just more than 120,000 were added by conversion. In other words, we have seen a twelve-fold increase. In 1997, there were fewer than 1,000 farmers of organic produce in the United Kingdom, but by the beginning of this year that number had increased to 4,600—we heard an example of one this morning.

As has been said, the retail sales of organic products in the UK are approaching £2 billion. The forecast is that that figure will grow steadily. The share of the organic market for produce that we grow here, supplied by home producers, also continues to increase.

The changes have been brought about by consumer demand, clearly, but also by Government action. So what about the points that have been made—what does organic farming deliver in the Government's view? There is evidence that organic production is beneficial, on the whole, to biodiversity. The mixed farming practised under organic systems also contributes to the quality of the landscape and the beauty of rural areas.

The more general environmental picture, for example on the production of greenhouses gases, is less clear-cut, with claims and counter-claims. However, there is evidence that organic farming systems generally incur less energy use than conventional systems. I shall explain that point. As has been said, it is important to consider the production of fertilisers when calculating carbon footprints. One has to consider lifestyle. The question that has to be asked—the debate has brought it up—is: what is the balance between the environmental benefits of producing organic food and the benefit of the farming methods used, many of which could also be used in conventional, inorganic farming? That relates to my hon. Friend the Member for Bolton, South-East's central point.

Organic farming has its proponents, of whom the Government are one because of the environmental benefits that we see from the evidence that is produced. I refer to the scientific studies that have been carried out, on which our policy is partly based: the DEFRA-commissioned study by Shepherd and others in 2002 and the English Nature-Royal Society for the Protection of Birds study of 2003 by Hole and others.

Organic farming contributes to the economic sustainability of rural areas. Research shows that organic farmers are open to developing new enterprises and marketing initiatives. Again, whether that is because of market conditions and the balances of consumer demand, rather than simply because they undertake organic production, depends on the farm and farmer involved. Generally, organic farms are better connected with those whom they supply and therefore with local consumers, food processors and wholesalers. So in rural economies, organic production generally provides more employment opportunities.

**Graham Stringer:** I referred earlier to the Boarded Barns farm study, which compared organic farming with integrated farm management and conventional farming. Is that part of the information base that my hon. Friend the Minister's Department uses when it advises him on the conclusions that he is talking about? If not, will he examine the study?

**Mr. Woolas:** I am told that it is, but the general point that I wish to make is that the matter is linked to the debate about life cycles and their carbon footprints. All judgments on organic produce must consider the alternatives as well as the amount of carbon produced in a life cycle. The debates on rainforests and fuel production and on food and fuel are a matter of balance. Transparency, information and scientific evidence are therefore increasingly important, which I know my hon. Friend the Member for Bolton, South-East, will welcome—as I said, he is a scientist. The answer to the question asked by my hon. Friend the Member for Manchester, Blackley, is that, yes, that study is part of the information base.

I was making the point that, in general, organic farming production in this country tends to employ more people than conventional farming because of the methods used. That is not to say that that is inherent in

organic farming or that the methods that produce that greater employability cannot be applied to conventional farming methods. That backs up the important point that my hon. Friend the Member for Bolton, South-East, made.

Why do consumers want to buy organic food? I shall not be drawn into that debate, other than to say that there are a variety of reasons. Some buy it because of environmental and social concerns, some because they think it is better for them and some because they say it tastes better. Our policy is to respect the right of consumers to reach their own conclusions, but as yet there is no conclusive evidence that organic farming produces greater health and nutritional benefits. I repeat the point that my noble Friend Lord Rooker made in the other place, which has been referred to today: that if food were unsafe, we would not allow it to be sold, whether it was overseas organic food, domestic inorganic food or whatever its source was.

**Mr. Roger Williams:** The Minister is right about food safety but, when the claim is made that food from a third-world country or a country outside the European Union is organic, or produced under organic conditions, surely we owe it to our consumers to be able to guarantee that it meets the minimum standards that would be expected in the EU.

**Mr. Woolas:** Yes, we do, and our regime has been referred to. I am told that there are in fact nine licensing bodies. Of course, it is the job of the port authorities to do what they can. Such problems exist in relation to a wide range of products; I refer the hon. Gentleman to illegal logging and timber produce. There are many other products in relation to which one is at some disadvantage if one is not responsible for their production. Our methods and processes are based on European Union law, and such matters were one reason for the widening of the European Union.

There is little time to answer all the points that have been made. I apologise for that, but I believe that my hon. Friend the Member for Bolton, South-East, was seeking to air his views and make his arguments rather than listen to a statement of Government policy. He knows fine well what Government policy is. It is based on the principles of balance, consumers' right to choose, transparency and the integrity of the products available to the consumer. Increasingly, conventional farmers tend to deride the organic farming sector less, and the organic farming sector tends to deride the inorganic sector less. We believe that the policy is a success story for the United Kingdom.

Organic production has made tremendous strides in the past decade in consumer recognition and the volume of production, although I do not dismiss the hon. Member for South-East Cambridgeshire's point that consumers need simplicity as well as transparency. The organic sector has become an established feature of the agricultural and food industries. More and more, consumers want to know that their food has been produced safely and in a way that treats farm animals consistent with good welfare. That is not to say that organic systems are the only farming methods that meet those aspirations, but they do tick the right boxes in the minds of consumers.

Progress in the next decade might not be as rapid as in the one just past, and a period of consolidation is likely. However, we can safely say that organic production has established a secure position for itself and that it will continue to progress. The lessons learned by each sector from the other are significant. I thank and congratulate my hon. Friend the Member for Bolton, South-East, for raising the issue.

# M40

11 am

**Mr. Paul Goodman** (Wycombe) (Con): It is a pleasure to see you in the Chair, Mrs. Humble. This is the first time that I have spoken with you in the Chair. Little did I think, when we first sat together as colleagues on the Select Committee on Work and Pensions after I was first elected in 2001, that we would be here today. I know that if I move out of order on any point, you will swoop ruthlessly upon me, as you did in those early days of my parliamentary experience.

I welcome the Minister, who is moving to his place. As recently as July and August, I received letters on this matter from his ministerial colleague, the hon. Member for Glasgow, South (Mr. Harris), who appears to have been dealing with the matter to date. I am sure that the Minister will explain why it is he who is dealing with it today.

I am delighted to have secured the debate, which gives those Members whose constituencies the M40 passes through the chance to speak about it and any concerns arising from it. Not surprisingly, I intend to speak largely about a stretch of the M40 in Buckinghamshire that runs approximately from junction 3 in the constituency of my hon. Friend the Member for Beaconsfield (Mr. Grieve), who is here, up through junction 4 in my constituency to junction 5 in the constituency of my hon. Friend the Member for Aylesbury (Mr. Lidington), who is also here, and then yonder into the deep beyond.

As I told the Department for Transport last week, the main issues that I want to raise today are noise and safety. I shall ask a few questions about the development at Stokenchurch, but will leave that issue largely to my hon. Friend the Member for Aylesbury, and I shall also ask a few questions about the development at Handy Cross roundabout. In order to explore all those matters, I have to delve into a little history, but the Minister, hon. Members and you, Mrs. Humble, will be relieved to hear that I do not intend to go too far back into mediaeval times, when the road to Oxford wandered, as it still does today, in a sense, from London to Oxford and back again through Wycombe.

I shall start in the 1960s, because what is now the M40 in the area that I am discussing was originally a bypass. As was the fashion of the time, the bypass was designed to pass very close to the villages that it was relieving, including not only High Wycombe in my constituency, but the villages of Bolter End, Wheeler End and Lane End. The first section was constructed in the late 1960s, in the days of the Wilson Government, as a dual-lane road from Handy Cross at junction 4 to Stokenchurch. That road was later designated the M40.

By the early 1980s—we move on from the Wilson period to the early Thatcher period—it was clear that the national motorway network required the extension of the M40 to Birmingham. By that time, environmental awareness was greater than it had been in the 1960s, so the extension from junction 5 to Birmingham was routed away from villages. The feeling in my constituency, certainly, and I think in those of my hon. Friends, is that because the section of the M40 that passes through our constituencies was built earlier, our villages are closer to the noise and disturbance than those near to the sections that were constructed later.

By the late 1980s, moving into the late Thatcher period, it was evident that the dual-lane section of the M40 would not do any more and that it needed to be widened to take the extra traffic. As the work was within existing highway limits, there was no public inquiry and no environmental treatment of the area other than tree planting at the roadsides. It has long been a local grouse in our area that that lack of environmental treatment contrasts with the landscaping and noise protection barriers that were erected between junctions 1A and 3 in the mid-1990s. That section is further down the M40, closer to London, and runs through the constituency of my hon. Friend the Member for Henley (Mr. Johnson), who is here.

The widening was unsurprisingly followed by an increase in noise. At first, it was assumed locally that that was simply because of the increased volume of traffic, but it soon became evident that there was an additional factor. The old motorway was surfaced with "quiet" stone mastic asphalt, whereas the new, widened, areas were surfaced with so-called normal asphalt. Some compensation payments were made; indeed, I still get a steady trickle of letters about compensation payments.

Since that period in the late 1980s, traffic has increased further, causing yet more noise. I shall give some figures: 20 years ago, approximately 2,500 heavy goods vehicles a day travelled through that section of the M40; now, almost 3,000 pass through it each night—one every 12 seconds, I am told—which is a 24-hour total of up to 14,000. I pause to consider the number of people who are affected by the problem. I have already named the villages of Lane End, Bolter End and Wheeler End in my constituency, but I also want to mention and honour the work of the M40 Chilterns environmental group, a group of constituents from the section running from the constituency of my hon. Friend the Member for Beaconsfield all the way up through the Wycombe and Aylesbury constituencies into that of my hon. Friend the Member for Henley. The group has been lobbying Ministers, the Highways Agency, which it has met, and local MPs for at least three years. I shall come back to some of the group's particular questions about noise.

According to a group publication, "Making the M40 a better motorway through the Chilterns", by Nigel King, which I have here and which I perused closely before the debate to refresh my memory, 10,000 residents are affected by noise in the section between junctions 3 and 4, near Loudwater and Flackwell Heath in the constituency of my hon. Friend the Member for Beaconsfield, and near Daws Hill in mine, and another 10,000 are affected between junctions 4 and 5 in the places that I have mentioned. My recollection of the distribution of those numbers is that there is a particularly large cluster of residents at Stokenchurch, in the constituency of my hon. Friend the Member for Aylesbury, who will doubtless speak about that later.

Obviously, I cannot relate from first hand the constituency experiences of my colleagues, but I am frequently told by my constituents in Lane End that when the wind is blowing roughly westwards, pretty much the whole village is affected. Right at the top of my pile of papers I have only the latest correspondence from constituents who have quite rightly made their views known to me, as they have to the Department.

Mr. King calculates that the overall noise and visual pollution affects at least 25,000 residents in the whole area, and that people who live within 150 m of the

motorway suffer very serious noise and pollution, which also affects—I say this almost as a footnote, but it is important—the walkers and riders who enjoy time out in the Chilterns, which is an area of outstanding natural beauty. He says that the noise can be heard more than 2 miles away. I should add that both Buckinghamshire county council and Wycombe district council in my constituency are sympathetic to the group's aims.

According to Mr. King, SMA or quiet asphalt has been applied between sections 3 and 4, but that leaves 10,000 people affected by the noise between junctions 4 and 5. He says that SMA has been applied to 15 per cent. of the surface, and the Minister may be able to update that figure. I understand that SMA is usually applied in the left-hand lane where heavy goods vehicles tend to travel, but Mr. King makes the point that much of the noise is generated not only by lorries but by cars passing in the other two lanes that have not yet been treated between junctions 4 and 5.

In 2005, the Department published its M40/A40 route management strategy, which stated that the Department's aim is

"to minimise the effects of the M40 on both the natural and built environment"

and that it wants

"to take practical steps to minimise noise and disturbance. This includes providing appropriate highway designs and making more use of noise reduction technologies."

The Minister knows that the Highways Agency has identified fewer than 13 noise hot spots between junctions 3 and 8, and he also knows that the long and short of the matter is that the Department's view is that they are not noisy enough to have priority treatment or to be treated before 2011.

I have some questions for the Minister to tease out the Department's thinking. They have been put to me by the M40 group, and if he cannot answer them all today, I would be happy, as I am sure would my hon. Friends, if he would write to me. First, what noise measurements have been made recently in the affected areas, or is the Department simply relying on estimates? My hon. Friends can confirm that the M40 Chilterns environmental group has measured noise on the motorway, so it would be interesting to know whether the Department has regularly done the same.

Secondly, the group claims that the noise severity index on which treatment is measured is biased against rural and semi-rural communities, and argues that people who are as badly affected as people in non-rural areas do not receive the same treatment because they are present in less concentrated numbers. I am not in a position to take a view on that, but will the Minister say to what degree his Department has looked at the way in which similar indices are run in similar European countries to see whether they are roughly parallel, whether any lessons can be learned from the way in which that is done, and whether his Department is studying that?

Thirdly, the group claims that there is an anomaly in treatment. It says that noise levels on the M50 at Bromsberrow Heath are lower than on the M40 in the vicinity of Stokenchurch, but that Stokenchurch has not been treated and Bromsberrow Heath is in the process of being treated. If I send the Minister the group's calculation, which is detailed, will he return it to me with his comments? The group is claiming that there is a question of equity.

Fourthly, the Highways Agency wrote to me in 2004 saying:

"Developments in lighting technology now make it possible to significantly reduce the amount of light that spills over from the motorway to the surrounding area."

If the Minister does not have time to deal with that today, will he write to me explaining the basis on which his Department is reducing, and plans further to reduce, light pollution from motorways, which is also a problem in the affected areas that I am describing?

Fifthly, and last in this section, what guidance has the Department recently published on the environmental noise directive, which the group has claimed for a while could affect noise treatment?

I shall turn from noise to safety. There has recently been a bad run of accidents on the M40 in the general vicinity of junction 3. The Sunday before last, a man was unfortunately killed in a four-car pile-up. The Minister may know that in July and August I wrote to his colleague, the hon. Member for Glasgow, South, about a previous accident and concrete barriers, to which I shall turn in a moment. I have looked at the accident figures, and Buckinghamshire county council notes that in the past three years there have been 78 casualties in Buckinghamshire and that 17 were between junctions 3 and 4. The Minister will know that the Highways Agency's view seems to be that the M40 is not as dangerous on the whole as, for example, the M1. The council notes that no immediate road safety solutions have been identified for the M40, and that progress is slow. According to my local paper, the *Bucks Free Press*, keepmoving.co.uk, whose site I was trawling this morning to ensure that it still exists, conducted a survey that found that that stretch was the third worst in the south-east. I realise that the Highways Agency continually examines accident data to try to identify problem hot spots, but has it contacted keepmoving.co.uk about that claim, and what analysis has it made of the site's figures?

One recent accident in the general vicinity of junction 3—not the one on the Sunday before last—involved crossover, which is largely what my correspondence with the hon. Member for Glasgow, South, was about. The Minister knows that the Department's view is that

"the overall risk to both road users and road workers will be reduced by the use of the rigid concrete barriers on the central reserve of heavily trafficked motorways."

He said in a letter to me on 14 August that the Department's research programme for this year

"includes a review that could justify an acceleration of the concrete barrier programme."

When is that review due to report?

I shall turn to two final issues. First, there is a proposal to close the M40 overbridge at junction 5 at Stokenchurch for up to nine months—my hon. Friend the Member for Aylesbury will talk about that in more detail—and that closure will be complete. It will not be the closure of just one lane, allowing traffic to pass from north to south. That is likely to send some traffic trundling on the highly unsuitable rural roads through Fingest, Frieth, Skirmett, Hambleden and other small villages in my constituency. My hon. Friend wants to know whether both lanes must be closed, because that will cause considerable disruption.

*[Mr. Paul Goodman]*

Finally, the Minister knows that Handy Cross at junction 4 is a large crossing point. It has been under a continual process of improvement work almost since I was elected in 2001. It is now crossed by even more lanes than before to ease the passage of traffic. What study has the Department made of the extent to which the changes are delivering the improvements that they were meant to deliver? What effect have the changes had, if any, on local traffic moving through A and B roads? With that, I shall take my seat. I look forward to the Minister's reply.

11.20 am

**Mr. David Lidington** (Aylesbury) (Con): Like my hon. Friend the Member for Wycombe (Mr. Goodman), I welcome you to the Chair, Mrs. Humble. I congratulate him on securing this debate. I shall not repeat at length everything that he said. Instead, I shall focus on several issues, particularly those that affect my constituents in Stokenchurch and, to an extent, in the village of Ibstone, which is south of the motorway.

Let me come straight away to noise. Noise nuisance from the M40 has been raised with me every year that I have been in this place. Stokenchurch is worst affected, more than any other village or hamlet along that stretch of the M40 in Buckinghamshire and Oxfordshire. For years, the people of Stokenchurch have, in effect, sacrificed much of their quality of life in favour of allowing the national interest to prevail in the form of the M40 motorway, which is important to individual drivers and, obviously, to commercial hauliers. It is not unreasonable for people in Stokenchurch to say that it is about time they had a bit of consideration, given the disruption and nuisance in their lives as a consequence of what they acknowledge is something that is in the overall national interest.

It is not just me saying that Stokenchurch is worst affected. The Highways Agency commissioned an assessment of noise hot spots alongside the M40. The report was drawn up by Transport Research Laboratory Ltd in association with Halcrow and was presented to the agency in 2006. It clearly identifies Stokenchurch as the worst affected of several settlements along the south-eastern stretch of the M40.

The report gives Stokenchurch a noise severity index rating of 10.2, which is significantly higher than that accorded to any other settlement in the vicinity. The problem for my constituents is the way in which the NSI is calculated. The calculation gives considerable weighting to the size of the settlement affected, with a measurement of the number of people who are directly affected built in to it, so year after year my constituents are told, in effect, that they simply have to bite their tongues and put up with the nuisance.

The nuisance is not getting any better. As we all know, the flow of vehicles continues to increase: it now averages more than 90,000 a day. Some efforts have been made to reduce noise by installing noise suppressant road surfaces, but I understand that that has not been done across all the carriageways, even in the Stokenchurch section of the motorway, but only on those parts of the carriageway that have become worn. The attitude that the Highways Agency takes at present is simply to say to my constituents, "Sorry, it is tough, but you are too small to count for much. All we can do is wait until your stretch of motorway wears out. Perhaps we will put in a noise suppressant surface when we have to resurface for maintenance reasons."

Such treatment of rural settlements contrasts with all the Government's fine words about looking after the countryside as well as the town. This morning, I wanted to check that my memory of Government policy had not faded. I looked at what the website for the Department for Environment, Food and Rural Affairs says about rural proofing. It states:

"Rural proofing is a commitment by the Government to ensure that all"—

all—

"its domestic policies take account of rural circumstances and needs...It is a mandatory part of the policy making process...Rural proofing applies to all policies, programmes and initiatives and it applies to both the design and delivery stages."

Not only are my constituents failing to see the Department for Transport and the Highways Agency take such an attitude, but salt was rubbed into the wound when I received a written answer from the Minister's predecessor, the hon. Member for South Thanet (Dr. Ladyman), stating:

"No action has been taken on 'rural proofing' the policy on reducing noise problems from the strategic road network."—[*Official Report*, 16 October 2006; Vol. 450, c. 925W.]

There is a stark, blatant contrast between what the Government say on the DEFRA website about their commitment to rural proofing across the board, and what Ministers are actually telling me and what the Highways Agency is telling my constituents in Stokenchurch and Ibstone about the practical, day-to-day conduct of policy in so far as it affects them.

I would ask the Minister to review his policy on action against motorway noise, to deliver what the Government have repeatedly promised in respect of rural proofing and equity between urban and rural areas, and, as a priority, to ensure that decent noise-reducing resurfacing work is done on the sections of the M40 in Oxfordshire and Buckinghamshire that have yet to benefit from that change. I would also ask him to take action to introduce further noise suppressant measures, whether bunts or fences.

At the root of the problem faced by my constituents and those of my hon. Friends is the fact that they are living alongside a motorway that was built many years ago to standards of design and environmental protection that nowadays would be regarded as utterly inadequate. If we were to build a new motorway today, we would introduce as a matter of course much more effective noise-reducing measures than were ever introduced on the M40, either when the first stretch was built or when the extension to Birmingham was built. It is time that the Government considered that legacy and took action on it.

Let me deal briefly with pollution. The area of the M40 around Stokenchurch is one of a small number of air quality management zones in Buckinghamshire. Pollution comes primarily from the motorway, so I was somewhat surprised when I saw an e-mail from the Highways Agency to the M40 Chilterns environmental group stating that the agency did not have any responsibility for contributing to an air quality management strategy

once the zone had been identified. There seems to be a genuine problem with joining up different arms of national and local government so that collectively we can find a solution. Again, the problem is unlikely to get better. Traffic forecasts are not predicting a reduction in the number of vehicles using that stretch of the M40.

Finally, let me deal with the bridge at Stokenchurch. It is not an exaggeration to say that the announcement by the Highways Agency that it proposed to close the bridge entirely for between seven and nine months was met with horror in Stokenchurch and in the nearby village of Ibstone. I do not know whether the Minister has ever turned off the motorway at that junction, but part of the village of Stokenchurch actually lies to the south of the motorway, and if local residents want to access the centre of their own village, they must cross that motorway bridge. They have now been told that they will be able to walk or cycle over the bridge, which is not much good if one is in one's 80s, and that if they want to go to their local shops, or visit their friends, church or the local school, they will have to undertake a long diversion either by going down the slip road and up the motorway to the nearest junction and turning round, or by going along narrow, winding country lanes of the sort that my hon. Friend the Member for Wycombe discussed.

There is an issue about the proposal's environmental impact. The Chilterns Conservation Board contacted me, and it is very worried that country lanes running through the Chilterns area of outstanding natural beauty will be harmed by the impact of diverted heavy vehicles. The agency's proposal for the bridge's complete closure has been met with strong opposition from the parish councils of Stokenchurch and Ibstone, as well as from numerous individual constituents. Stokenchurch parish council hopes to arrange a public meeting in the near future, and officials from the Minister's Department and from the Highways Agency will be invited to attend.

What will happen about access by the emergency services to the southern part of Stokenchurch and to Ibstone? Has it been thought through? What will the impact be on school bus services, with, for example, children who are taken by bus from Ibstone to schools in High Wycombe? What about scheduled bus services? What about refuse collection? The decision has been sprung on local residents, and it amounts to enormous disruption to their everyday lives for a long period. From the point of view of the Highways Agency, I understand that to close the whole bridge for seven to nine months means that the work is likely to take less time and to be cheaper than if the agency carried it out while keeping at least one traffic-controlled lane open to all vehicles. However, the initial proposal simply gets the balance wrong. The agency has put its understandable interests ahead of the enormous disruption that will be caused to local people, and I ask the Minister to reconsider the plan and come back with a proposal that secures a better balance between the agency's interests and those of my constituents.

Noise, safety and pollution will get worse not better if they are not addressed immediately. There are not only regular forecasts of year-on-year increases in traffic flow, but Government proposals for extensive residential development in Aylesbury and Milton Keynes, which mean that local authorities are starting to think in the medium to long-term about the need for a new trunk or major road from Milton Keynes and the Aylesbury area to the Thames valley. If that goes ahead, it will almost inevitably mean even more traffic flowing on to the M40 from those new developments. If we are to find a solution, that consideration must be built into the Government's plans. It is in the interests not only of the residents, but of the country.

11.34 am

**Mr. Dominic Grieve** (Beaconsfield) (Con): I am grateful for the opportunity to participate in the debate, and particularly grateful to my hon. Friend the Member for Wycombe (Mr. Goodman) for having secured it. The title of the debate allows us to range fairly widely on the subject of the M40, although I shall confine myself principally to what I consider to be the three major issues: road safety, traffic noise and pollution.

The situation in my constituency is slightly different. The M40 starts in my constituency at the Denham viaduct, running through the constituency to junction 3 and then up to Handy Cross. The first section from Denham to the Loudwater viaduct was substantially improved when work on it finished about eight years ago.

I shall start on a complimentary note, because a great deal of investment was put into noise reduction during the motorway's widening to four lanes along that stretch, and I receive very few complaints about traffic noise. However, I have some regrets. For example, I regret that when it was turned into a four-lane motorway, it was thought necessary, as a matter of obligatory safety, to put in road lighting. Visually, it has intruded on an area of sensitive landscaping, and I repeat to the Government what has become a bee in my bonnet: I simply do not accept the necessity of lighting four-lane motorways as a matter of immediate practice. It is rather extraordinary that we continue to do so when the signal that is sent out about energy wastage by the continuing willingness to put in lamp standards almost everywhere is utterly regrettable. I hope that the Minister will take that point on board.

From evidence that I have seen with my own eyes, I have absolutely no doubt that as a direct result of lighting motorways at night, the overall speed of vehicles rises by about 10 mph. That may be significant when we consider road safety. It is my general observation from driving along motorways throughout the country.

My other point about that stretch of motorway is that I regret the decision to build a motorway service area at the Beaconsfield roundabout, a development that will start very soon. It fills me with foreboding, because I simply do not think that the traffic congestion consequences have ever been fully taken into account. It will be an off-road motorway service area to the south of the junction on an extremely busy road, the A355 running down to Slough. In view of the existing congestion, the service area will prove to have been a serious planning error, coupled with the fact that the local police continue to tell me that they do not have enough resources to police the inevitable rise in crime that they foresee from its location. I flag those points up to the Minister; they have been a refrain of mine for a considerable period. Having said that, however, I return to my first point that the noise reduction measures along that stretch of the motorway have been very effective.

*[Mr. Dominic Grieve]*

I contrast that fact with what happens the moment one reaches the Loudwater viaduct. The stretch from there to Handy Cross is also in my constituency, although as one goes up the hill to Handy Cross, the constituency of my hon. Friend the Member for Wycombe comes up on the southern flank. There is absolutely no doubt that that unimproved stretch of motorway, which is in the same condition as it was when the High Wycombe bypass was built many years ago, generates high noise levels. The matter is added to and complicated—this is not the Government's fault, but we have to live with it—by the fact that the Loudwater viaduct, by its very nature, takes traffic over a valley at a high level. As a consequence, the motorway noise affects not only the houses that are adjacent to the motorway, but, I suspect far more, the property that is a considerable distance away. Indeed, I suspect that the houses further away—those on the flank of the hillside leading away from the viaduct—suffer far more from the noise than those underneath.

Let me just give the Minister a flavour of what I am talking about by picking a couple of quotes from my voluminous correspondence on the issue. First, I have a letter from a lady living in Taymar close in Loudwater, which I would not describe as immediately adjacent to the motorway. She says:

"The house is situated on a hill which must be at roughly the same height as the motorway. In the winter when there are no leaves on the trees the motorway is visible.

The noise is there all day and evening and can be heard behind double glazing. It must be unbearable for the people in the village who are situated closer to the road."

In fact, she might be mistaken, because the noise near her property is probably greater, despite the extra distance.

Another lady who wrote to me is a nurse living at Clapton approach in Wooburn Green. She writes:

"The sound mostly reverberates from the Loudwater viaduct, along the valley, rebounding from the hills so that often the noise appears to come from all directions at once! It is no longer pleasant to sit out in the garden in the summer months and the unrelenting noise, particularly on Friday and Sunday night, makes it almost impossible to sleep.

I am not one given to complaining, but feel the situation is now so bad that if something cannot be done, my husband and I may be forced to move away from this lovely little community".

I could quote many other letters in the same vein and I do not think that these people are exaggerating. The configuration of the road along this unimproved stretch is a serious issue for local residents, and although other issues further along also need addressing, the issue that I have highlighted is very marked.

Residents in Flackwell Heath, further up towards Handy Cross, are also affected by the motorway noise. There, the noise is a bit more classic in the sense that it just spills out over the motorway, depending on the direction of the wind. Again, the motorway surface is made from an old-fashioned material, and we have absolutely no noise-reduction protections along the edge of the motorway. As my hon. Friends have rightly said, the traffic volumes on the motorway have increased exponentially over the past 10 years, particularly following the completion of the Birmingham route, and what was previously a bypass is now one of the country's major trunk roads.

I very much hope that something can be done quickly about this issue. In dealing with it, the problem has always been that the Highways Agency has responded by saying that something will be done some time in the programme, but that nobody is quite sure when. Action should be a higher priority, because the sheer number of people being adversely affected by noise nuisance not only immediately adjacent to the motorway, which is perhaps inevitable, but very widely around the Loudwater viaduct justifies it.

I want now to say something about Handy Cross. I would be pleased to see any statistical information that the Minister can provide about how the new improvements are working there, because that would be useful. I often go up the A404 to Handy Cross, and my impression is that the road junction works have brought about a marked improvement. There seem to be fewer traffic queues, and the environmental considerations that were properly taken into account have had a pleasant impact; indeed, the scheme has been well landscaped and is a credit to those who carried it out. Again, therefore, I am happy to say some warm words about what has been done.

Let me turn, however, to the issue of road safety in the area. As the Minister will have heard from my hon. Friend the Member for Wycombe, there was a fatal accident the Sunday before last on the stretch of the M40 that runs down from Handy Cross to the Loudwater viaduct. That followed a pattern of such accidents—17 was, I think, the figure quoted for the relevant period—which suggests that that stretch of motorway is particularly dangerous, although the Government may persuade me otherwise. Frankly, it is not difficult to see what the problem is. If one approaches the Loudwater viaduct from Handy Cross, one is on a sustained downward slope. As a result, anybody driving at 70—one must face the fact that people often drive through Handy Cross at 75 or 80 mph—will, without putting their foot further down on the accelerator, and unless they decide to slow up, be doing 90, 95 or 100 mph by the time they reach the viaduct at the bottom. This is also an area where it is easy to decide to overtake heavy goods vehicles.

On top of that, the road, which was designed as a bypass, has in it a bend that is probably somewhat sharper than anything that motorway engineers would construct nowadays. I am not saying that it is in some way impassable, but it does have a slight race course feel about it. I must say that that is in contrast to the descent to the Loudwater viaduct from the Beaconsfield end, which is largely straight and which, on top of that, was subject to major improvements when it was widened to four lanes. I am not surprised, therefore, to learn of the frequency of the accidents on this stretch; indeed, some months before the fatality that I mentioned, there was a serious accident, in which a vehicle was left hanging over the edge of the viaduct and over the warehouses and employment centres immediately underneath.

Something can and must be done to improve safety on this stretch. I am not an expert in these things, but I simply want to suggest a few ideas to the Minister. First, a concrete barrier down the centre of the road would undoubtedly reduce the risk of motor vehicles crossing the carriageway and going through the central

reservation, because there are places where high-speed accidents and multiple pile-ups can take place. Secondly, consideration could certainly be given to the appropriate speed at which vehicles should come down the hill, to see whether something cannot be done to deter drivers from going so fast, which classically results in their vehicle running away with them as they come down the hill. That could involve speed cameras, average speed cameras and even—I would not necessarily be against this—reducing the speed on this stretch of the motorway to 50 or 60 mph under certain circumstances. I do not know what the solution is, but I am convinced that there is one and that it could contribute to reducing the risk that this stretch of the motorway poses. I suspect that such works would be independent of the noise-reduction improvements that I might also wish to see at the site.

I might add that I am no great fan of speed cameras, having had my 28 years of driving without being detected ended by a speed camera in my constituency a couple of years after I was elected. However, they have their uses, and on such a stretch, where there is a real safety issue, I would not be at all averse to introducing, above all, an average speed camera to keep drivers down to the appropriate speed limit for this stretch of road.

I am conscious that others wish to participate. I am grateful to the Minister for listening and I look forward to his response. I am sure that something can be done to improve safety. I am also sure that, generally, my constituents in Loudwater, Flackwell Heath, Wooburn Green and Wooburn Moor are entitled to have the Government come along and put in place a noise-reduction package for them.

11.48 am

**Mr. Boris Johnson** (Henley) (Con): First, of course, I congratulate my hon. Friend the Member for Wycombe (Mr. Goodman) on securing the debate, and I support everything that he said. I also support virtually everything that my hon. Friends the Members for Beaconsfield (Mr. Grieve) and for Aylesbury (Mr. Lidington) said, with the possible exception of the suggestion by my hon. Friend the Member for Beaconsfield that we should have more speed cameras on the motorway—I think that I would need more argument on that before supporting it, although I do not necessarily rule it out.

I want briefly to make almost exactly the same point as my hon. Friend the Member for Aylesbury about a bridge. Before I do, however, I want to support the general point made by my hon. Friend the Member for Wycombe, which is that the motorway was never built to cope with quite as much traffic. If the Minister would like a graphic representation of that, he need only stand at the foot of the great Chiltern cutting, where my constituency begins. On any weekday evening, he can look up and see so much traffic struggling to get through that Khyber pass that the winking tail lights will resemble a flow of molten lava. That was never a sight that one could see 20 years ago or even, I think, 10 years ago. That is as graphic an expression as I can provide of the increase in the weight of traffic being experienced by people in villages along that stretch; they never expected it. I do not think that the engineers who designed the M40 ever conceived when they built it quite so close to those villages that that number of cars would be passing along it.

A further problem, of course, with the relevant stretch is, I am given to understand from excellent work done by the M40 Chilterns environmental group, that the spoil from the cutting was used to create a gigantic rampart through into Oxfordshire and the beginnings of my constituency, so that the noise could be more effectively dispersed throughout the villages. I cannot believe that it would now be possible—I imagine that it would be far too expensive—to turn that dyke into a trough, which is what it should have been, but I think that the villagers deserve some noise abatement. I am thinking in particular of Lewknor and Postcombe, and, above all, Milton Common, which is very close to the motorway.

I want to elaborate on the point made by my hon. Friend the Member for Aylesbury about what can be done in the interval provided by the repair of the bridges. We have a bridge at junction 7, which, as I am sure the Minister knows, will be repaired over nine months next year. As the Highways Agency acknowledges, that provides a golden opportunity to do something about noise along the relevant stretch. There will be traffic calming measures and bollards and a great deal of disruption. It seems to me that it would be sensible to consider that time for the erection of greater and more protective barriers to the sound pollution that is so greatly diminishing the quality of life of people in the villages. I hope that if the Minister cannot today come up with a precise answer about what he might consider doing in the nine-month interval next year, he may agree to meet me and representatives of the M40 Chilterns environmental group, to discuss a way forward and how we could use the opportunity next year to sort out the problem.

11.52 am

**Mr. John Leech** (Manchester, Withington) (LD): It is a pleasure to be here under your chairmanship this morning, Mrs. Humble.

I congratulate the hon. Member for Wycombe (Mr. Goodman) on securing what has been a very interesting debate on the M40. When I first read the title I was not 100 per cent. sure what issues would be raised. I imagined that the debate would be to do with the condition of the road surface; certainly, on occasion, when I must travel to London by road, I use the M40, and I am fully aware that the oldest sections of the road are in a particularly poor condition. However, when I read the debate pack prepared for us by the Library it became clear that many other issues might be raised, which, as a Member for a north-west constituency, I was not particularly aware of.

Suggested issues for discussion were concerns about the potential improvements around the Handy Cross area; the lack of service stations along the M40—although some of its service stations are considerably better than some on other motorways; and the potential impact on the road of developments around the Bicester area. However, I also thought that road safety issues were almost certain to arise in connection with the M40. Certainly, reading the keepmoving.co.uk website gave me an insight into concerns about safety on the M40. It advocates further use of speed cameras on motorways. I understand that there were 26 accidents on the relevant stretch of the M40 in the first six months of 2007. There are also more than 200 motorway accidents a year

*[Mr. John Leech]*

involving vehicles crossing from one side to the other, and the difference in the safety of metal or concrete barriers is clearly a matter for concern.

The hon. Member for Wycombe began with a brief history of the M40 and the evolution of the road from its original form into the connecting motorway to the midlands. He concentrated on the issue of noise, and its impact on villages nearest to the original stretches of the M40 before the motorway was expanded. He also talked about the widening of the motorway causing additional noise. I have had experience of that as a Manchester MP. When the M60 was widened it was necessary to cut down all the trees that were there to protect residents from the noise to make way for the extra motorway lanes. So I sympathise about problems connected with the widening. The hon. Gentleman also mentioned that the number of heavy goods vehicles had increased from about 2,500 a day to about 14,000 a day. Clearly, that has a significant impact on noise. He talked particularly about noise hot spots, but with some frustration that they were perhaps not noisy enough to be considered a priority for work on the road surface.

The hon. Gentleman and other hon. Members touched on the issue of light pollution. I was not sure whether he was suggesting that we should be better off without street lighting on motorways; I shall say more about that. Finally, he raised the issue of safety, which is of course paramount. I hope that the Minister intends to say something about the accident spots that several hon. Members have mentioned.

The hon. Member for Aylesbury (Mr. Lidington) also raised the matter of noise. I understand his obvious frustration that the M40 is not considered a priority. He made an impassioned plea for the necessary resources to upgrade the road surface to deal with noise. He also went on to discuss in some detail the proposed closure of the bridge at Stokenchurch. That is another issue on which I can sympathise with hon. Members, because where work was necessary in my constituency, there was a debate about whether it was more sensible to close a bridge entirely for a short time, or to keep it open in one direction, which meant that the repair work would go on for longer. I shall be interested to hear from the Minister whether consideration has been given to the possibility of keeping half the bridge open, to ensure that it can be used throughout the repair period, and whether financial considerations were among the reasons for what has been decided so far. I see the Minister shaking his head, and I am sure that he will clarify the matter when he responds to the debate.

The hon. Member for Beaconsfield (Mr. Grieve), with his usual eloquence, gave us a helpful lesson in geography as regards the beginning of the motorway. I must confess that I was unaware that the beginning of the M40 was in his constituency. He also discussed the issue of noise. However, I should like to take up his point on street lighting. I disagree with him about the lighting of motorways. I believe, and I wonder whether the Minister will say something to clarify the issue, that street lighting on motorways has resulted in better accident statistics. I accept that the waste of energy is an issue, but we could look at the use of solar power for street lighting on both local roads and motorways—it is used in my constituency. The first solar lighting in a park in the whole country is in my constituency.

**Mr. Grieve**: I accept that there is statistical evidence that if a road is lit, the level of accidents is reduced. However, we must balance that against the enormous adverse environmental impact of street lighting, particularly in rural areas. Street lighting creates light pollution and an inability to see the night sky, and it sends an extremely negative message to the public about the availability of lighting in the overall context of energy use. For that reason, I should like to see a substantial reduction in street lighting. Interestingly, that is happening under financial constraints in my constituency, and I welcome it. Lights that have been in place on A roads for 30 or 40 years are being switched off, and the world does not seem to be coming to an end as a result.

**Mr. Leech:** I thank the hon. Gentleman for that intervention and I accept that we need to strike a balance but, from my personal driving experience, I believe that motorways with street lights are far safer than unlit motorways.

The hon. Member for Henley (Mr. Johnson) reiterated a number of the points made by his colleagues on the Conservative Benches, but I was disappointed that he came out against the idea of speed cameras along the section of the M40 to which he referred; I felt that the hon. Member for Beaconsfield made a good case for the installation of an average speed camera on that section of the M40. From my own experience, I can say that it is an area in which it is easy for motorists, unintentionally, to increase their speed. Average speed cameras would have a significant impact in ensuring that people stick to the speed limit.

My final point relates to the fact that all who have spoken mentioned the problems of noise and safety, but no one suggested a solution that involved the reduction of traffic. Surely we ought to offer solutions that would reduce traffic on our motorways, such as better investment in rail services or a lorry charging scheme to reduce the amount of road freight. Clearly, traffic on our motorways will not be reduced unless we invest significantly more money in public transport and discourage lorries from using motorways. Lorries cause a significant amount of the noise about which hon. Members complained, so it is disappointing that none of them offered a solution to the problems that involved reducing the traffic on our roads.

12.4 pm

**Mr. Robert Goodwill** (Scarborough and Whitby) (Con): I welcome you to the Chair, Mr. Wilshire. I am disappointed that Mrs. Humble has left, as I intended to tell her about the excellent hospitality that we received recently in Blackpool at the Woodleigh hotel in Yates street, which almost rivalled the hospitality in Scarborough. However, having served with you on the Transport Committee, Mr. Wilshire, I look forward to serving under your chairmanship.

Having listened to the debate, I believe that I am fortunate, because I have not often experienced the 87 miles of the M40 between Uxbridge and junction 15 near Warwick. I congratulate my hon. Friend the Member for Wycombe (Mr. Goodman) on securing the debate and on attracting such a distinguished array of Conservative Front Bench talent: I feel some trepidation on my

Westminster Hall debut. As my hon. Friend said, one problem on the M40 is that, unlike motorways that were built from scratch, it is an upgrade of existing roads and bypasses, which means that it is in close proximity to many people and villages. As traffic has increased in recent years, the problems have worsened, so I hope that the Minister will address some of my hon. Friend's questions.

The village of Stokenchurch is in the constituency of my hon. Friend the Member for Aylesbury (Mr. Lidington). I am sure that the Minister has perused the Transport Research Laboratory report entitled, "An Assessment of Noise Hotspots Alongside the M40" and noted that it identifies Stokenchurch as the most noise-sensitive location on the motorway. My hon. Friend mentioned the noise severity index of 10.2 in Stokenchurch, which has a 2 km frontage on to the motorway. The next village to feature in the report is Lane End. It has a noise severity index of 3.1, which demonstrates the size of the problem in Stokenchurch. I hope that the Minister will at least tell us when the Stokenchurch section of the motorway is due for refurbishment or replacement, and whether that work can be fast-tracked and done slightly earlier.

My hon. Friend the Member for Beaconsfield (Mr. Grieve) spoke about the intrusive nature of lighting on the motorways and the implications for their carbon footprint. In my experience, although one can travel slightly more easily on lit sections of motorway, there is a moment, when the lighting ends and one's eyes have not adjusted to the change, when it is difficult to see the way and to make progress. He also mentioned the issue of the motorway services that are due to open and some of the problems relating to them. I note that prior to the opening of new services, that section of motorway is, at 71 miles, the longest in the UK between services.

I am pleased that my hon. Friend the Member for Henley (Mr. Johnson), who has offered his apologies for leaving, was able to attend the debate and that his bicycle was not stolen again. He spoke about the high levels of traffic on the motorway looking at times like a molten lava flow. My research indicates that 90,000 vehicles a day use the M40. Motorways are the safest routes in the country and travelling on them is the safest way to travel, but the M40 between the Loudwater viaduct and Handy Cross in the constituency of my hon. Friend the Member for Beaconsfield, is the sixth most lethal stretch in the UK. Two multiple pile-ups claimed the lives of four people last June and July, and the Thames valley safer roads partnership has begun a review to consider what measures can be taken to address that tragic problem. The cause of many accidents can be addressed by looking at ways of reducing congestion and we heard that a fourth lane has been put in place on a section of the M40.

I was perturbed on Monday to read that the Government might be cooling on road user charging, which could address some of the problems. If the project is to be aborted, will the Minister explain how the money used to employ 22 staff and engage 24 consultants on full or part-time work at the Department for Transport to look at road charging could be better spent? It would have been better to spend it improving the M40 than pay consultants and staff in the Department.

We heard about the fatal accident the Sunday before last, and in May three people were killed in an horrific seven-vehicle smash at Loudwater when a lorry careered through the central reservation into oncoming traffic. The hon. Member for Manchester, Withington (Mr. Leech) said that there were 200 such accidents, but I saw a figure on the internet—it may not be true—of 432 crossover accidents a year, 70 per cent. of which involve cars. One way of addressing the problem is to introduce concrete step safety barriers instead of the standard steel barriers, as my hon. Friend the Member for Wycombe said.

Steel barriers have many drawbacks, not least their resistance to impact. When they are damaged, they must be repaired, which entails risks that often result in injury or even loss of life for the crews employed to repair them. They are breached much more often than concrete barriers. The Minister will correct me if I am wrong, but I believe that there has been no case so far of a vehicle breaching a concrete central barrier. The majority of carriageways in the UK are fitted with steel barriers that meet the N2 containment specification, which is for a 1.5 tonne vehicle hitting the barrier at the standard speed and angle. An H2 barrier—a specification that concrete central reservation barriers would meet—would control the impact of a 13-tonne vehicle. Given that there are 44-tonne vehicles on our roads and that there have not been any breaches, in practice even larger vehicles may well be contained on the carriageway. In fact, I saw a report about a driver of a very large vehicle on the M25 who owed his life to the concrete barrier.

Concrete barriers have other benefits. In particular, glare is reduced from vehicles travelling in the other direction. If motorcyclists hit steel barriers they are often seriously injured, not by the steel safety rails, but by the posts that hold them up. Concrete barriers, which are solid, would reduce accidents on the opposite carriageway caused by people in vehicles passing the scene of an accident trying to see what is happening—the practice known as rubber-necking.

Although new motorways are fitted with concrete safety barriers and all the research indicates that such barriers are the answer to the problem, why is it that since 2005, less than 100 km of existing barriers on a total 3,240 km of motorway have been replaced with concrete barriers? The M40, particularly the stretches to which my hon. Friends have referred, would be a good place to trial the barriers to determine their impact on accidents. In addition, concrete barriers are maintenance-free. Even when an accident occurs, there is no need to turn out a team to close lanes and put in contraflows or whatever is needed to carry out the repairs.

In some cases, because one concrete barrier replaces two steel barriers, it may be possible to narrow the central reservation to allow more space for additional lanes or, if the hard shoulder system is operating, to provide more space for emergency vehicles. The issue of noise was raised. When the M40 was constructed, it was a concrete road, fitted with random grooves. It has been upgraded to a hot rolled asphalt surface, but that is not good enough to deal with the problem of noise near villages. Five places in particular were identified: Lane End, Bolter End, Cadmore End, Ibstone and Stokenchurch. Although the report identified the carriageways in their vicinity as requiring resurfacing, it concluded that could be done only when maintenance was scheduled and the road was due to be repaired.

*[Mr. Robert Goodwill]*

Will the Minister tell us when the carriageways are likely to be scheduled for repair and whether, if that is an awfully long way off, he can, through his good offices, queue-jump a little bit, given the problems? I again congratulate my hon. Friend the Member for Wycombe on managing to identify, through this debate, some of these very serious issues, to which I hope the Minister will respond positively.

12.14 pm

**The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick):** It is a pleasure to see you presiding over our proceedings now, Mr. Wilshire, having taken over from Mrs. Humble, although obviously I agree with the hon. Member for Scarborough and Whitby (Mr. Goodwill) about the hospitality of Blackpool.

May I say immediately to the hon. Member for Wycombe (Mr. Goodman), whom I congratulate on securing this important debate, that I should have offered apologies before the debate began on behalf of my hon. Friend the Under-Secretary of State for Transport, who is unavoidably unable to be here to respond to the debate? As Minister responsible for highways, he will be fully briefed on today's debate. I assure hon. Members that, should I not fully respond to the matters raised or questions asked, correspondence will follow to address the relevant points. However, I shall start with comments on noise, safety and the bridge works mentioned, before dealing with specific questions and points raised in the debate. I also congratulate the hon. Member for Scarborough and Whitby on his debut as a Front Bencher in Westminster Hall today.

The M40 motorway between junctions 1 and 15 is part of the Government's private finance initiative. It is managed by UK Highways M40 Ltd as part of a 30-year contract that commenced in 1997 and will end in 2027. The general strategy for maintaining the road is to replace the road surface layer as and when it comes to the end of its life, which is identified from regular pavement condition surveys. Overall, the condition of the surface is good.

I recognise the concerns of the M40 Chilterns environmental group—to which the hon. Member for Wycombe and others referred and which he actively supports—in relation to traffic noise from the M40. The Highways Agency installed noise mitigation barriers on sections of the M40 when it was widened between junctions 4 and 5 in 1991 and between the M25 and junction 3 in 1999. Since 2004, the agency has had a number of meetings and ongoing contact with the CEG regarding its noise concerns to clarify the agency's position on noise.

In July 2006, the Highways Agency published a report entitled "An Assessment of Noise Hotspots Alongside the M40", which concluded that all sites that were identified did not meet the national *Hansard* criteria for noise mitigation measures—noise fencing. There is a budget of £5 million a year, which enables the highest priority sites across England to receive noise mitigation works. The report recommended that a low noise surfacing material be used whenever maintenance is carried out.

Following detailed scrutiny of the Department for Transport's and the Highways Agency's budgets, Ministers agreed that the resurfacing of roads ahead of a maintenance need, for noise alleviation reasons, would not be allocated funding. The agency spends some £200 million each year on resurfacing work across the entire motorway and trunk road network in England. Although that is sufficient to maintain the network in a safe and serviceable condition, there is little scope for elective tasks.

Accident data for the M40, junctions 1A to 11, for the period 2004 to 2006 inclusive record an average of 234 personal injury accidents a year. That number of accidents equates to an average accident rate of 7.8 per 100 million vehicle kilometres, which is similar to the average accident rate of 8 per 100 million vehicle kilometres for motorways nationally.

The M40 has recently been the site of a number of incidents resulting in tragic loss of life. I recognise that any accident is highly regrettable, whether it involves serious personal injury or death. As a result, the Highways Agency implemented the traffic officer service on the M40 in early 2006 to manage incidents, reduce the delay to motorists and work in conjunction with the police to try to bring a speedy end to an incident and lessen the impact on the public.

The Highways Agency continues to analyse accidents on the M40 to see what measures can be implemented to improve road safety. The agency monitors the M40 motorway to identify accident cluster sites and, following identification of a number of potential cluster sites, it has undertaken in-depth analysis of those sites to develop measures to reduce the number of accidents at those locations. At junction 6, road markings were improved in December 2006, which will bring safety benefits. To anticipate a question from the hon. Member for Beaconsfield (Mr. Grieve) about his speeding downward slide to the viaduct, I will check whether that area is among the clusters and write to him.

Following one incident, queries have been raised about installing concrete barriers on the Loudwater viaduct at junction 3. The Highways Agency introduced as policy the installation of concrete barriers in motorways' central reserves in January 2005, after research by the Transport Research Laboratory found, as hon. Members have mentioned, that concrete barriers in the central reserve improve safety by reducing significantly the likelihood of crossover incidents as well as being essentially maintenance-free and unlikely to require repairs after a vehicle impact. The installation of concrete barriers is being phased in. They are specified for new road schemes, for road improvement schemes such as road widening and during major maintenance.

Various other improvement schemes have been completed or are being carried out this financial year. The most significant has been the recent installation of variable message signs between junctions 9 and 11. The signs meet the criteria for the provision of message signs and the automated motorway incident detection accident system, or Midas. The message signs at junctions 9 to 11 are now operational, and the Midas signs between junctions 10 and 11 will come online this month. The signs allow the national traffic control centre and the regional control centre to enable tactical and strategic diversions as well as warnings of inter-junction problems. The Government have also installed two message signs on each of the A34 northbound approaches to the M40

at junction 9 and the southbound approaches at junction 10. The signs warn of problems on the M40 and allow alternative routes to be taken.

Emergency central reserve crossing points have been installed at four locations between junctions 6 and 13 in Oxfordshire and Warwickshire to assist in releasing trapped traffic following incidents, and a study is being undertaken to identify additional sites. Additional crossing points will be installed as funding becomes available.

The M40-A404 junction at Handy Cross has suffered historically from high congestion and long queues, particularly during peak travel times. The Highways Agency carried out a £16 million improvement scheme that opened to traffic earlier this year, as has been mentioned. The scheme is essentially complete. Final adjustments to the traffic signals are required to link them to a control room so that they can be remotely monitored and the timings changed to suit traffic conditions. The agency expects the work to be installed and validated by the end of October.

Major roadworks are planned to the bridge over the motorway at junction 5, Stokenchurch, in late 2008 and 2009. Some of the bridge's concrete is suffering from high chloride levels, causing the reinforcement to corrode from many years' exposure to road salts. The affected concrete must be removed and replaced. During that time, the deck will be temporarily supported from beneath and will not be able to carry vehicular traffic. Pedestrian access will be maintained across the bridge. On the M40 beneath the bridge, three narrow lanes in each direction will be kept open during peak times.

Following a presentation to Stokenchurch parish council and comments from the local public, the proposed diversion routes during the bridge works have been reviewed. Changes are being discussed with the local highways authority and, if agreed, will be published shortly. Similar work to the bridge at junction 7 will need to be completed before work can start at junction 5. Work is programmed to commence at junction 7 in early 2008 and will continue for nine months. The bridge will have to be closed to traffic for six months.

I am advised that work done to date shows that a bridge closure is necessary. Part of the work will apparently involve demolishing the central pier and full-depth sections of the bridge deck. The deck will be temporarily supported for up to six months, which means that it is an engineering problem and not, as the hon. Member for Manchester, Withington (Mr. Leech) asked, a question of finances. I shall return to the points made about Stokenchurch in a moment.

The hon. Member for Wycombe asked five questions about noise. They concerned noise measurement, the question of bias against rural communities and EU comparisons, anomalies in different measurements, light pollution and environmental threats. On noise measurement, he is correct that measurements have not been taken. The report used modelling to assess noise, and Highways Agency policy used the noise severity index to prioritise sites in England. As he and others have said, that maximises funding to treat high-population areas. In other words, areas where many people are affected are obviously given priority.

I will have to write to the hon. Gentleman on his third and fourth questions. On his fifth, the Highways Agency is working with the Department for Environment, Food and Rural Affairs. That work on the environmental threats is in draft. It is incomplete at the moment, but it will be published in due course. He also asked three other questions: whether the Government were in contact with Keepmoving, whether we could accelerate the concrete barrier programme and about the Handy Cross improvements. I shall write to him on the second and third questions. As for contact with Keepmoving, we have visited the website, but there is no official contact, as it is an unofficial website of the group.

**Mr. Goodman:** Perhaps the Minister could write to me further to clarify whether the Department accept Keepmoving's estimate that the area that we have been discussing—I think that it is junction 3—is one of the worst in the south-east.

**Jim Fitzpatrick:** I shall certainly be happy to write to the hon. Gentleman in due course.

The hon. Member for Aylesbury (Mr. Lidington) asked about joined-upness and the six months' closure. He asked whether the Stokenchurch decision had been sprung and whether the matter of emergency and other services, such as education, has been addressed. I have explained that engineering difficulties make keeping the bridge open impossible. The Highways Agency has tried to work with local people. I mentioned discussions with the local authority, which are still taking place, and the attempt to help reduce the impact on air quality. We will follow up with more information on that aspect in our written response.

The emergency services have been consulted and their comments taken on board to ensure the best possible response in the event that they are called on to assist residents in the neighbourhood. Alternative diversion routes are under review to minimise the impact, mentioned by Opposition Members, of the knock-on effects of the closure. The information will be published shortly.

I appreciate the generous comments made by the hon. Member for Beaconsfield on those responsible for the improvements that he praised, and I note his suggestions about road safety speed. As road safety Minister, I agree with him and not his hon. Friend the Member for Henley (Mr. Johnson). Perhaps that does not surprise him. I note his comments on motorway lighting. Clearly, it is a dividing line between the Conservatives and the Liberal Democrats and a matter that comes up from time to time. I shall write to him with information and the statistics on Handy Cross that he asked for.

This has been a well-informed debate. A number of important issues have been raised concerning hon. Members' constituents. I apologise if I have not been able to answer their various questions as fully as they had hoped, but I assure them that we will write to them so that they have the fullest and best possible answers that we can give. I am sure that they will continue to press the Department for Transport. We shall continue to listen, and hopefully we shall make progress on a number of fronts.

## Sudan

12.29 pm

**Mr. David Wilshire (in the Chair):** I am trying to work out whether "Minister for Europe" includes Sudan; obviously it does. Perhaps a geography lesson or a new atlas would help me a great deal. If hon. Members are content to start, I call Mr. Drew.

**Mr. David Drew** (Stroud) (Lab/Co-op): Thank you, Mr. Wilshire. I am sure that by the end of the debate, the Minister for Europe will undertake as part of his responsibilities a visit to Sudan, which I am sure will want in due course to join the EU. I am delighted to have this opportunity to talk about our visit, and to see the hon. Member for Richmond Park (Susan Kramer). She was part of the triumvirate of MPs who visited Sudan during the recess with our friend in that respect, the hon. Member for North-East Milton Keynes (Mr. Lancaster).

We were accompanied by Michael O'Neill, the new special representative to Sudan—we were grateful that he could come along—as well as Chris Milner, the co-ordinator, and Peter Tesch, who for the purposes of the visit was historian, although he is many things besides. During our time in Sudan, we were accompanied by our ambassador Rosalind Marsden, whom I had met previously in Kabul. It was an important visit, and it came at an important juncture. We were warned that we went at our own risk, and just before leaving we were kindly informed that an al-Qaeda cell was looking to blow up an embassy in Khartoum. We therefore did not take up the invitation to stay at the British embassy. Nevertheless, we carried on. I have to say that security was impressive; never before have I enjoyed so much security, but I shall say no more about it.

I thank our supporting organisations—Christian Aid, CARE, Tearfund, Oxfam, World Vision UK and the Inter-Parliamentary Union. I thank particularly Jessica Irvine of the Sudan unit, who briefed us before we left and gave us some good sensible information about what we should be doing.

The purpose of the visit was to check on progress on the comprehensive peace agreement, but we could not go to Sudan without revisiting Darfur. It was my second visit to Darfur and my third to Sudan; I shall say more about it later.

The CPA is an important document. It brought to an end 20 years-plus of conflict, which had taken 2 million lives. Anyone or anything that imperilled the CPA would not be taken lightly by the all-party group on Sudan, which I chair. The document is also the model for what one hopes is future peace in Darfur—and, indeed, in the east. I shall say more later about the east; we did not have time during our week's visit to go to there, and I hope that we can remedy that omission.

The CPA lays down clearly the progress that needs to be made. It covers the census and the elections—and eventually the referendum, which will decide whether the south stays part of a united Sudan or goes its own way. The programme has to be met by 2011. That is important in the context of Africa, but it is important also in the context of the wider world, such is Sudan's position. I pay due credit to the Government for making it absolutely clear that they are in it for the long run, as there is no quick fix and no easy solution. If there were, we would have sorted out the problem many years ago. My determination, with others, is to keep going. If we can sort out the problems of Sudan, the rest of the world will follow in due course, such is its importance.

**Susan Kramer** (Richmond Park) (LD): I thank the hon. Gentleman for giving way. I congratulate him on securing this debate, and on leading an incredibly important delegation. He may remember that when in Sudan we met some of my constituents and that their father, Mr. Mubarak El-Mahdi, had been arrested with 13 others for being engaged in a coup—supposedly, one assumes, because there were no public charges. That was cited by the Sudan Liberation Army as a reason for walking out of the national unity Government, as it demonstrated a lack of commitment to the constitution of Sudan. Does the hon. Gentleman agree that that case needs the attention of the Government at the highest level?

**Mr. Drew:** Yes, it does. The Minister will have heard that comment, and I know that the hon. Lady is making representations. Indeed, she had the opportunity to make direct representations while we were in Khartoum. I know that the Government will continue to listen to those representations and, I hope, will act upon them.

Since our visit, the CPA has come under even more pressure. Sadly, details reached us last week of the fact that the Sudan People's Liberation Movement has withdrawn from the Government of national unity. At the very least, that is putting the CPA under a great deal of strain. It would be good to get the Minister's view, on behalf of the Government, on how to get the SPLM back into the Government, even though we all know that that entity is sometimes more an institution of names than one with real power and authority. However, we have to stay with the CPA, because there is no plan B.

The United Kingdom has a long history of involvement in Sudan. That is why we have an obligation to stay with it. We are currently involved with some of the work of the Assessment and Evaluation Commission, playing a part with Kenya and Ethiopia. Again, I pay credit to the Government for the way in which they are trying to overcome the present impasse.

I offer five clear challenges. They are challenges not only for the Government, however, as they require the wider international community to play a part. Three of those challenges are crucial to progress with the CPA—and, in due course, to Darfur—and they need to be listened to and acted upon.

I start with Abyei, a part of Sudan where there is a great deal of tension. The Abyei boundary commission has made recommendations on how to demarcate the north and south, but the region is a key part of the country. The National Congress party believes that the commission overstepped the mark in giving its ruling. As well as the national conflict, a number of local conflicts between the Ngok Dinka and Misseriya, are adding to the problems in that part of the world. The danger is that it could be a touchstone for revisiting the conflict. Even if it stays local, it will be necessary to deal with it. Because the subject came up time after time, the delegation felt it important to report the situation in Abyei and to explain the need for mediation and eventually compromise.

The second key point is wealth sharing. The main problem is a lack of transparency on oil revenues. The Government of southern Sudan allege, quite openly and with a degree of forthrightness, that they do not know how much oil is coming out of the ground. It is therefore difficult to know how much 50 per cent. of that wealth would be. That needs to be sorted out. Even the special representative from the National Congress party in the north said when we met—he was very frank—that being able to have confidence in the National Petroleum Commission knowing the figures for oil production was still some way off. Of course, it has an international context because the Chinese may not be that keen to know exactly how much oil is being produced and where the revenue is going. That situation needs to be clarified; again, it is a crucial point of tension within the comprehensive peace agreement.

Thirdly, there is the question of security. The forces of north Sudan have yet to withdraw from the south. We heard a lot about the fact that the deadline of 9 July was not met. That was another source of tension. The Government of the south, through the SPLA, failed to meet its obligation to withdraw from Kasala in time. For those warring factions that fail to keep to their side of the agreement, history repeats itself. On the plus side, however, we saw some evidence of integration between the two armies to form a united army of Sudan.

To put all that in context, the key thing is how to get to elections next year in the absence of agreement on security by the Government in the north—whether the Government of national unity or indeed the National Congress party, which is the dominant northern party and the dominant party in the Government of national unity—let alone agreement by the Government of southern Sudan. Without such agreement there can be no elections, so clarity is vital.

There are two other points in my list of five, which relate purely to the south, although there is of course a wider context. First, we were disappointed to see how little development there was in the south. That was despite the efforts and investment in Juba, so it was worrying. We heard that 60 per cent. of SPLM revenue is being spent on military expenditure, and the SPLM was almost bragging about it. That shows the extent to which other elements of expenditure are being squeezed out, so we need to get investment into education, health, and water and sanitation, and away from excessive military expenditure. That comes back to the security situation.

The last point is that of tension within the south itself, and the need for a south-south dialogue. During our visit, I really came to understand for the first time that there are four different groups of people living in the south. There are those who live largely under the occupation of the Government from the north, and those who live under the SPLA and SPLN. However, there are also, of course, initially displaced peoples, many of whom have fled to the north of the country and now wish to come back from Khartoum and Omdurman. In addition, there are the refugees who left the country and are now trying to return. Each of those groups feels that it is the most vulnerable, most maltreated, and most denied of its rights. When all four groups feel disadvantaged, there is scope for, dare I say it, an explosive mixture.

There needs to be a revisiting of the CPA at the national level, therefore. That is not so as to change the CPA, but to give it the emphasis and support that it needs. As the hon. Member for Richmond Park said, sadly there is political repression both in the north and the south. I shall not give examples, but we all know the situation in the north, and there is evidence that the south has not achieved democracy.

We met Sadiq al-Mahdi again, the representative of the Umma party who is better known as a descendant of the Mahdi, who made quite clear to us his belief that it is only a matter of time before conflict breaks out. I know that he has gone on record with such warnings on many previous occasions, but he is probably near the truth, as we have seen in the Kajbar dam incidents, in which there was very severe repression of those opposed to what was going on.

**Susan Kramer:** Does the hon. Gentleman agree that there sometimes seems to be a lack of awareness of the tightness of the time frame for the resolution on the CPA? Without that, there cannot be a census. Taking the census will not be a quick process, particularly when half the year is rainy season, but without it there cannot be elections nor any referendum on secession, so the time frame is very tight.

**Mr. Drew:** I agree, and the hon. Lady's comments stand in their own right. I am sure that the Minister will wish to respond.

On Darfur, I had previously visited the south but on this occasion we went to the west. We were genuinely shocked by the instability on the ground. Quite clearly, there are many warring factions. I shall not say how many different groups there are, but there are now so many that when UNAMID—the United Nations African Union Mission in Darfur—comes into formal operation, the task facing it will be far from a walk in the park. There is a view that when AMIS—the African Union Mission in Sudan—leaves, and UNAMID comes in its place, things will suddenly stabilise, but from all the evidence we saw that will not be as easy as some people pretend.

Haskanita, the most recent outrage in which 10 African Union troops were killed, was a dreadful episode that represents the reality of what is happening, which is caused by fragmentation and the amount of weaponry available. I applaud the work of the AU, as well as that of the UK in preparing for the UN. I dare say that it will involve a number of military personnel as well as the work that we are doing on the civil side. We need to work on the convergence phase of the road map and on making it clear that we need peace from the new talks. It is not just a question of whether Abdul Wahid will or will not go; there is a need to involve all the parties. I am not prepared to personalise things and to portray him as crucial. Clearly, he is popular in the camps, but it is not clear whether that is because of his not previously signing the peace deal or because he is a great and wonderful leader. I do not know. What is important is to get the peace talks under way and to get the UNAMID force in place as soon as possible.

We must also make sure that it is not just the military people who claim to speak on behalf of the Darfuri people in the dialogue that will occur, because there is a lot of resentment from other people who believe that

*[Mr. Drew]*

their voices should be heard too. The fact that those other people have not picked up a gun does not make them any less important. There are many different factions that are not part of the military which should be listened to as well. That subject is a difficult one, and I hope that the Minister will have some good things to say about what we are doing to bring groups together.

Our tour was a whirlwind one, because Sudan is a huge country. In passing, I invite the Minister to review the early-day motion that I tabled yesterday and that was signed by the hon. Member for Richmond Park, which was addressed to the situation in the east. The peace agreement for the east was obtained a year ago, but at best it is shaky.

I conclude by welcoming both the opportunity to draw attention to Sudanese issues and the Government's long-term commitment. The events in Sudan are not easy matters to deal with, but we must indeed draw attention to them and state our position that peace is the prerogative of all of us to pursue. I was disappointed by the news that, if anything, the CPA is once again under a cloud, which has an impact on Darfur as it does on the east. I hope that the Minister will have some good news, but we must be realistic. Sudan is not an issue that we can fix quickly.

12.47 pm

**The Minister for Europe (Mr. Jim Murphy):** I am delighted to serve again under your chairmanship, Mr. Wilshire. I congratulate my hon. Friend the Member for Stroud (Mr. Drew) on securing the debate. The way in which he argued his case testified once more to the fact that Sudan is a country about which he, like all hon. Members, cares passionately. It was evidence too of his devotion, along with that of others, as he has given an enormous amount of personal time and political energy to maintaining the profile of Sudan and to continuing to keep pressure on the international community where appropriate and necessary. He is regarded in the House as one of those who is most active on Sudanese issues.

I am delighted also to see the hon. Member for Richmond Park (Susan Kramer), who participated in the delegation. In his comments, my hon. Friend spoke quite realistically of the security situation at the time of the delegation, and I am sure he will appreciate it if I put on record our respect and thanks to the team at the British embassy for the work that they do in a phenomenally important and occasionally very dangerous part of the world. I particularly thank our ambassador, Rosalind Marsden, and her team. We all appreciate the work that they do.

You were right to conclude, very perceptively, Mr. Wilshire, that Sudan is not in the European Union. If the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Sheffield, Heeley (Meg Munn) had been in the United Kingdom rather than on ministerial duties abroad, she would have responded to the debate. Nevertheless, I am delighted to have the opportunity to respond.

My hon. Friend the Member for Stroud is right to say that the situation in Sudan, especially with the conflict in Darfur, is increasingly complex. That argument ran throughout his speech. The SPLM's announcement on 11 October that it would suspend its participation in the Government of National Unity adds further complications to that situation.

The foundation for peace and stability throughout Sudan is, as my hon. Friend eloquently argued, the comprehensive peace agreement. The UK, as an integral part of the international community, remains absolutely committed to its implementation. As my hon. Friend knows, the CPA ended more than 20 years of civil war between the north and the south and is an important vehicle in bringing lasting peace to all parts of Sudan. Its full implementation remains important both for north-south relations and for resolving the conflict in Darfur.

My hon. Friend fairly assessed that the most important element of the agreement is the 2009 national elections. The international community must help to create an environment that will ensure that those elections are a success. The hon. Member for Richmond Park raised a fair point about the census. My information is that the rainy season ended two weeks ago, that the census has been delayed from November to January or February, and that while that time scale is still tight, it is achievable. I hope that reassures the hon. Lady, and I am sure that it is something that she will continue to raise with my hon. Friend the Under-Secretary.

There has been progress on the CPA, and a majority of troops have redeployed to their respective areas. Most of the CPA-mandated institutions have been set up. However, the political leaders in the north and the south must summon the political will and demonstrate strong leadership to resolve the most sensitive issues, especially now, when the political impasse has the potential to derail a peace that is allowing recovery and development in the south.

My hon. Friend may find it helpful if I outline what the UK Government are actively doing and what we are looking for. We want the north and south to dedicate the necessary resources to complete the national census in advance of the 2009 elections; for both sides to work to find a tenable solution to the border disputes in Abyei and other areas along the north-south border; and for both to continue to build a secure environment throughout the country, including full redeployment of troops to their respective areas. The Government of Sudan must allow sufficient political space for democratic activity.

On the specific point of the UK's engagement on the CPA, we are focused on bringing the issues back on track and restoring faith in the agreement. The UK provided more than £60 million of development assistance last year in support of CPA implementation. We have also put £47 million into the multi-donor trust fund over three years, which will be split evenly between north and south Sudan. The UK also continues to press for more progress on CPA implementation through its membership of the CPA implementation oversight body, the Assessment and Evaluation Commission. We are working with partners to reinvigorate the commission and to keep the CPA on the international agenda.

The CPA is the bedrock of stability for the whole of Sudan: it is indivisible from the peace process in Darfur, which is one of the Prime Minister's top foreign policy priorities for the Government. The situation in Darfur is appalling, as the international community has recorded.

The UN has described the situation in Darfur as the greatest humanitarian crisis in the world. Many thousands have been killed, raped or wounded. More than 2 million people are displaced. More than 4 million people—two thirds of the population—are dependent on international aid for their basic needs. Those statistics convey only a little of the immense human misery that is being visited upon the people of Darfur.

The Prime Minister and President Sarkozy announced a joint initiative for Darfur on 20 July. It focused on four areas: rapid deployment of an effective peacekeeping force; movement towards political negotiations; preparing for economic recovery to show the people of Darfur that there are dividends of peace; and regional stability. We have already committed more than £73 million of bilateral funds to the African Union peacekeeping force. We have contributed more than £250 million in humanitarian assistance to Sudan since 2004, and we supported the implementation of an agreement between the Government of Sudan and the UN to allow full humanitarian access for non-governmental organisations operating in Darfur. We have also been a leading voice in building an international consensus on Darfur, as my hon. Friend the Member for Stroud was fair enough to say.

We sponsored the UN resolution in March 2005 that referred Darfur to the International Criminal Court. The ICC has now issued two arrest warrants in connection with alleged atrocities in Darfur. We continue to call on the Government of Sudan to co-operate fully with the ICC. We have encouraged China to play a more positive role in Sudan, and that is important. We have built up European support for tough measures and persuaded EU partners to give further funding for the African Union peacekeepers.

We sponsored UN Security Council resolution 1769, which mandated the first hybrid peacekeeping force in the world for Darfur, which will bring vital security. We are working with donors to prepare the ground for recovery. In September, the UN Secretary-General announced the start date for peace talks, which are to be held in Libya at the end of the month. In September, the UN and EU agreed to send a peacekeeping force to Chad. However, there are still a number of problems, as my hon. Friend mentioned. In recent weeks, fighting in Darfur has increased, leading to the murderous attack on peacekeepers in Haskanita—an attack that was rightly condemned around the world. The increase in fighting has affected vital humanitarian operations. Attacks on humanitarian workers, who do an incredible job in terrible circumstances, continue. As a consequence, the people of Darfur continue to suffer. That cannot continue.

We are calling on all sides to commit to an immediate cessation of hostilities, to engage fully in the political talks being led by the African Union and United Nations, to allow the humanitarian workers to do their jobs and to facilitate the rapid deployment of the peacekeeping force. We have an obligation to alleviate the suffering in Darfur, but we cannot do that without full implementation of the comprehensive peace agreement. Only then can we work towards the lasting peace of the whole of Sudan. With the help of our international partners, we will work with the people of Sudan to show them that there can and will be peace.

I want to put on the record the Government's determination on the fundamental importance and unique nature of this international crisis. I will, of course, bring to the attention of my hon. Friend the Under-Secretary the specific comments that our hon. Friend the Member for Stroud raised this afternoon.

## Military Covenant

12.58 pm

**John Barrett** (Edinburgh, West) (LD): Like many people born after world war two, we hoped that war was going to be a thing of the past, but since then we have seen war and conflict in many parts of the world, from the Falkland Islands to the Balkans, and now in Iraq and Afghanistan, where the list of dead and injured increases daily. Those men and women look to their Government to deliver their side of the covenant between them and their country.

"When people sign up to our armed services, they show that they are prepared to put their life on the line for their country. In return, they should be certain that they and their family will be looked after appropriately."

These were the words of a constituent of mine in a letter to me. That idea will form the crux of the debate today, and I hope that no one in this Chamber would dispute the sentiments of my constituent. Instead, we need to discuss whether we are meeting our obligations to our armed forces, and, if we are not, what we must do to remedy this.

It is important to note at the outset that significant efforts have been made in recent years by the Government, and where Ministers have made positive changes, I commend them. However, that ought not to disguise the fact that certain aspects of the military covenant are not being delivered. I believe that we need to make some real and substantive changes if we are to say honestly that we are meeting those obligations.

I pay tribute to the work of the British Legion, which has done so much to raise the profile of the issue and to focus this debate. I shall make an effort to keep my remarks relatively brief because I want to give the Minister as much time as possible to answer the points that I shall raise. I pay tribute also to a number of my constituents, including Sarah Benett, Tim Gregory and Philip Howard, who have written to me, along with many others, on this subject.

I shall focus first on the issue of fair and just compensation for injuries or illnesses caused by service in the armed forces. This is a key area of concern raised with me by my constituents. As hon. Members will be aware, the armed forces compensation scheme introduced a fundamentally different method for compensating those who have suffered injury or illness as a result of service. When the Government introduced the compensation scheme in April 2005, few people would have said that the system was not in need of an overhaul. Many of the changes are positive and have made a real difference, but in too many respects introduction of the AFCS has resulted in an erosion of the support provided through the military covenant.

For me and many of my constituents, the most pressing of those changes is the way in which the burden of proof in a compensation claim falls at the door of the claimant and their family. Instead of giving the claimant the benefit of the doubt, cases are decided on the balance of probabilities. Hon. Members will be aware that before the compensation scheme was introduced, the burden of proof in such cases lay—quite rightly—with the Secretary of State. I have yet to hear a convincing argument for why it is right that soldiers should have to prove that their injuries were a result of service. I find it quite extraordinary that the Government should take that position, and I look forward to the Minister's explanation.

In 2003, the House of Commons Defence Committee commented:

"Because of the special risks that Armed Forces personnel are required to run, and because they are likely to be involved in situations of great uncertainty, with uncertain effects on their health, we continue to believe that the onus should remain on the government to prove that service was not responsible for causing or worsening a condition for which a compensation claim is made."

I doubt that many people here today believe that that is asking too much, and yet earlier this year, the Ministry of Defence said:

"The 'balance of probabilities' standard of proof is the accepted approach in other occupational schemes as well as in the civil courts."

I am afraid that the accepted standards of the civil courts cannot simply be transferred to a military context. For example, how are soldiers supposed to provide "reasonable, reliable evidence", especially following involvement in a battlefield situation? I would like to know also what service personnel ought to do, given that very often they cannot provide full medical records.

My second point was articulated ably by the Defence Committee in 2003:

"Armed Forces personnel are also put in an unusual position by the fact that their medical records are in the hands of the employer against whom any claim for compensation will be made. There is no doubt about military doctors' honesty, but it is wrong in principle that they should be put in the position of creating the documents on which compensation claims will be based while at the same time relying for employment on the very employer against whom those compensation claims will be made."

This is set against a backdrop of military record keeping that even Ministers have acknowledged is less than perfect.

I would appreciate the Minister's comments on a number of other issues related to the compensation scheme. Members will be aware that the compensation scheme allows for three injuries only to be claimed if all of the injuries have resulted from the same incident, and that the lump sum awarded for each injury reduces with each one claimed. That effectively means that people are suffering from injuries, but are not being compensated for them, for which the only reason is that they were more seriously injured than the compensation scheme allows for. I simply cannot see any principled justification for not fully compensating armed forces personnel for each and every injury sustained in a single incident.

I take issue with the time limit imposed on service personnel's claims for compensation. The time limit for an initial claim under the compensation scheme is five years from the date that the injury occurred, or from the date that medical treatment for an illness was first sought. There can be no justification for setting time limits for claims. The military covenant outlines a lifelong duty of care, and, therefore, all time restrictions should be removed from the scheme. Again, I look forward to hearing the Minister's comments on that point.

On access to health, the military covenant states:

"Only on the basis of absolute confidence in the justice and morality of the cause, can British soldiers be expected to be prepared to give their lives for others. This unlimited liability on

the part of the individual in turn demands collective responsibility of the nation for the welfare of all servicemen and women, serving and retired, and their dependants."

More recently, in April 2007, the Chief of the General Staff, General Sir Richard Dannatt, confirmed that this

"means a continuous duty of care. Once a soldier, always a soldier".

Again, I am sure that no one here would dispute the sentiments behind that statement, and I am aware that great strides have been made in recent years. However, there is more that we have to do in this respect. For example, the often misdiagnosed mental health problems that are an ever-growing issue will have to be tackled. I am aware that the Government are supporting a number of initiatives in this area, and I would appreciate an update on those from the Minister today. It is vital that we pay particular attention to the provision of mental health services for veterans, and greater investment will be required if veterans are to receive the care that they deserve.

It is not only in this country that veterans feel that they have been left to their own resources. Some years ago, I was involved in a project in the United States in which I had to interview a number of homeless people, including former military personnel who felt that they had not received the support to reintegrate into everyday life. They had mental and physical health problems, and a number of them felt that they had been left on the scrap heap. We must ensure that that does not happen in this country.

A number of constituents who have contacted me referred to apparent mistakes that were made in the weeks and months following the death of a friend or family member in the services. Although the death of a family member will always be an impossible time for the families involved, there are things that we can do to ease hardship during this time. Some time ago, the family of a young soldier who had died in Iraq contacted me to say that the information had leaked early from the Ministry of Defence to the press; under normal circumstances, they would have been given 24 hours before the name of the young soldier was released. That information had leaked out and the mother and father, who were constituents of mine, were doorstepped the next morning by the tabloid press. I raised that issue at the time.

I am not implying that that was a deliberate move, but mistakes are made and families suffer. When parents, wives, brothers and sisters have lost loved ones, all efforts must be made to ensure that they are given the support that they need. Sometimes the system breaks down and nothing can be done about it, but I think that there are too many examples in which, after the event, people feel that greater support could have been given.

Again, owing to the nature of death in service, many cases are referred to the coroner for an inquest. However, it is not acceptable that 121 families in the UK are still awaiting inquests, 21 of which are for deaths that occurred before May 2006. The inquest into the death of Corporal Allbutt, which occurred in March 2003, was heard on 9 June 2007—more than four years later. That is plainly unacceptable, and I hope for a detailed update from the Minister on the backlog and on any progress towards reducing it.

Inquests can be very confusing for the families of service personnel, particularly for those without knowledge or first-hand experience of the legal system or the military, because deaths in service can, by their very nature, be very complicated. In 2006, in the conclusions of the review into the deaths at the Princess Royal Barracks, Deepcut, Nicolas Blake QC made the following recommendation:

"As part of the Military Covenant with the soldier, the MoD should ensure that the family of a deceased soldier have access to legal advice and, where appropriate, legal representation prior to, and during, the inquest or fatal accident inquiry."

I should like to hear from the Minister today that we are on our way to providing a system of legal support that families can rely on if they need it, not merely a system that they can access in "exceptional circumstances", as is currently the case.

Every Wednesday at Prime Minister's Question Time, the Prime Minister reads out the names of soldiers killed in combat. When men and women are prepared to put their life on the line for their country, the least that we can do is to ensure that there is a proper support system in place for them and their families. My constituents, the Royal British Legion, service personnel and their families up and down the country and beyond will have listened to this debate. They will want the Minister to leave them in no doubt that he and his Government are prepared to honour the military covenant, and to commit the resources required to give people serving their country what they deserve. All that they are asking for is what is fair. They will settle for nothing less.

1.11 pm

**The Parliamentary Under-Secretary of State for Defence (Derek Twigg):** I congratulate the hon. Member for Edinburgh, West (John Barrett) on securing this debate on the important topic of the military covenant, following the launch of the Royal British Legion's campaign. Of course, I pay tribute to our men and women in uniform, who are an absolute credit to the nation and to their families. People who have paid the ultimate price or have been injured, and their families, should always be in our thoughts. I hope to be able to give the hon. Gentleman a clear statement about our commitment to, and efforts to support, our serving personnel and veterans.

I pay tribute to the Royal British Legion and the other ex-service organisations, with which I, both as a constituency MP and as a Minister, have had a long relationship, for their work in supporting service personnel, their families and veterans. The well-being and support of our serving and former personnel is a top priority for the Government. This is a good opportunity to hold the debate, because I can set out what the Government have done. At the Royal British Legion campaign launch, it was almost inevitable that the press would focus on what it considered to be the negative aspects of our support and differences of opinion, rather than give a fair wind to the overall support that we give our service personnel.

There is not enough time to set out all the improvements that the Ministry of Defence has made to the way in which we look after our people, so I shall focus on the Royal British Legion's "Honour the Covenant" campaign. Before I do so, I shall spend some time setting out in detail what the MOD and the Government have done in recent times, especially the past year.

*[Derek Twigg]*

We have seen the best pay rise in the public sector—3.3 per cent. for everyone—with the lowest-paid private soldiers receiving more than 9 per cent. The operational allowance, which was introduced last October and backdated to April 2006, has been raised to £2,320 for a six-month tour. There is an improved operational welfare package for troops in Afghanistan and Iraq, with more free telephone calls—30 minutes a week—and better internet access, including another doubling of terminals, which was announced last week, and the introduction of a wi-fi service. There is also a welfare package, both for injured staff who are back in this country, and for their families during their stay in hospital.

Service personnel deployed to Iraq and Afghanistan will benefit from a tax-free rebate of £140 on the cost of their council tax, and we will make further improvements. We have announced a comprehensive modernisation of terms and conditions of service for Gurkhas, and financial retention initiatives for the hardest-pressed groups, in which there are pinch points, were awarded this year: £10,000 for the Royal Marines, £4,500 for the infantry, £50,000 for air crew and £20,000 for nurses in return for agreed lengths of extended service.

Our resettlement package, on which, again, the press do not want to focus, for service personnel returning to civilian life has been improved, and the National Audit Office this year said that the package was at the forefront of the best international practice, with about 94 per cent. of service leavers finding work within six months. There has also been significant investment in new equipment. We have just announced an extra 140 Mastiff vehicles for our troops in Iraq and Afghanistan. In total, we have spent more than £1 billion on force protection such as new weapons, body armour and helicopters. Having just returned from a visit to Afghanistan, the clear and overwhelming message from our armed forces personnel is that their personal equipment is the best that they have ever had. We therefore do not pay lip service to the principle of the military covenant. We recognise, support and reward those people who put their lives on the line for the security of this nation.

To address the issue in more depth, the armed forces compensation scheme, which was introduced in 2005, provided for lump sum payments to be made for the first time. In addition, injured service personnel receive a tax-free, index-linked income for life when they leave, which, in the case of the most seriously injured individuals, can amount to hundreds of thousands of pounds over a lifetime. If an injured member of the armed forces is not expected to work again, the income is based directly on their service salary. The scheme is relatively new, and we need to learn from our experience of the cases that arise today. I have made it clear that we will keep the scheme under constant review, but we have already reviewed the rules that apply when an individual suffers more than one injury in a single incident—the most serious multiple injuries, on which there has been much focus recently. As a result, we propose to increase the lump sum benefits that are paid to the most severely injured personnel. Although we need to consult more widely, that would mean that the most seriously injured individuals, such as Lance Bombardier Ben Parkinson, would receive the full award of £285,000. I stress that the lump sum is only part of the overall package of financial support. There has been a lot of focus on the lump sum, but it is just one part of the overall financial support. It includes a guaranteed income, which will, for those who receive the full lump sum, amount to hundreds of thousands of pounds.

The scheme is not capped like the criminal injuries compensation scheme: it is important to clarify that point. For example, one of our personnel who suffers the most serious injuries and receives the maximum amount of £285,000 will receive a significant income for the rest of their life. Someone on £25,000 would receive a guaranteed income payment of £21,725 a year, index-linked and tax free for life. Again, that is a substantial package, and it is not capped in the same way as payments under the criminal injuries compensation scheme. Subject to consultation, we aim to bring those changes into force before the end of the year, which demonstrates our commitment to our most severely disabled service personnel.

The hon. Member for Edinburgh, West made several points about the burden of proof. The standard of proof is based on the balance of probabilities, which is the accepted approach of schemes such as the criminal injuries compensation scheme. The work is not particularly onerous for the claimant, because the MOD undertakes most of the tasks by gathering evidence. No case should fail when there is reasonable, reliable evidence that the injury is due to service. More than 70 per cent. of in-service claims were successful in the first year, and we keep the scheme under review. I told the Royal British Legion that if it gives me examples of people who fail to secure the compensation payment to which they are entitled, I shall consider those cases. We were recently given a small number of cases, which we shall consider to see whether there is any problem in the scheme itself. We will continue to review the scheme.

The hon. Gentleman also mentioned the issue of time limits—again, the scheme is more generous than civil litigation cases—and spoke about the special nature of our armed forces. The armed forces compensation scheme sets a limit of five years for claims, compared with three years in civil cases. The five-year limit can be extended for certain late-onset illnesses, including cancer and mental illness. Additionally, time limits can be extended when the claimant cannot submit a claim within the time limit because they are suffering from a physical or mental illness. Again, we shall keep that under review.

We provide expert medical treatment and care to injured personnel on the front line, as I recently saw for myself when I visited Camp Bastion in Afghanistan. In the UK, the Royal Centre for Defence Medicine at Selly Oak in Birmingham and the Defence Medical Rehabilitation Centre at Headley Court in Surrey are models of clinical excellence. The military-managed ward at Selly Oak is now operational, and I visited it a few weeks ago. The overwhelming feedback that I had both from patients—the armed forces personnel—and their families was that excellent treatment and care was being provided. As the Chief of the General Staff said, there is nowhere better than Selly Oak, and Headley Court has a world-class reputation.

We recognise the vital role that families play in patients' recovery, so the MOD provides both family accommodation and funding to help with accommodation and travel costs for families visiting injured personnel. I welcome

the help provided by Soldiers, Sailors, Airmen and Families Association Forces Help with family accommodation at both Selly Oak and Headley Court. I believe that our forces are best supported by the long-established partnership between the Government and ex-services organisations in the charitable sector, with each partner contributing what it does best.

We ensure that there is a proper transfer of care when personnel are medically discharged, we manage individuals' resettlement, and we provide welfare support from a case officer who monitors the most seriously disabled personnel for at least two years after their discharge. That is a fairly recently innovation, but we need to do more and improve the provision, because many people are involved in care and resettlement, and we need to ensure that the co-ordination works well.

One issue that has been given particular focus is mental health. We recognise that mental illnesses, including post-traumatic stress disorder, are serious and disabling conditions which can, however, be treated. Research that we commissioned showed no significant difference in health problems faced by personnel on operations in Afghanistan and Iraq and personnel who are not on deployment, but it showed a slightly higher level of mental illness among reservists, which we are addressing. Our focus is on prevention, recovery and rehabilitation. We have measures in place to increase awareness and mitigate disorders, including pre-deployment and post-deployment briefings, support, assessment and, if required, treatment during and after military operations. We also arrange a period of decompression to help service personnel unwind after an operational tour.

All service personnel who are injured on operational deployments are entitled to the same level of medical treatment and support, whether they are regulars or reservists. The recently introduced reserves mental health programme provides assessments for reservists and, if they are diagnosed with operational mental health conditions, they are offered out-patient treatment at one of the MOD's 15 departments of community mental health. The mental health of veterans has been a focus for both the public and the press in recent months. Successive Governments have shared the view that the NHS should be the main provider of health care for veterans, but we recognise that many health professionals have limited experience of dealing with symptoms resulting from military experience. We commissioned important research into delayed-onset post-traumatic stress disorder and, separately, into suicidal behaviour among discharged personnel. Both projects are due to report early next year.

My Department and UK health agencies, with the help of Combat Stress, have developed a new community-based mental health service, which will be piloted across the UK from this month onwards. The service will provide GPs with regional NHS networks of expertise in military mental health, helping them to respond to veterans' problems locally. The pilots will run for two years before they are evaluated and rolled out nationwide. In the interim, we have expanded our medical assessment programme, which is based at St Thomas's hospital in London—just across the river from Parliament—to include an assessment of symptoms acquired by veterans in operational service since 1982, and to provide help, where appropriate, for service personnel in prison. That is a major step forward in support. The clinician in charge, Dr. Ian Palmer, served as a military medical officer, and is a consultant psychiatrist. He is therefore well qualified to provide service both to any veteran who is seeking expert advice and to their GP. The MOD also funds war pensioners undergoing remedial treatment at homes run by the charity, Combat Stress. We have agreed a phased increase in the fees that we pay—the overall figure will rise to 45 per cent. from 1 January 2008, which is a significant rise in support—to enable those homes to enhance their capability to treat veterans.

The hon. Gentleman mentioned inquests, and I am well aware of the distress, discomfort and upset that delays cause families. Of course, inquests are a key part of the process, as relatives want to know what happened to their loved ones. They are intended to establish who died, when, how and why. They are not adversarial, and legal representation is not usually necessary. If families want legal representation but cannot afford it, they can apply to the Legal Services Commission, which is part of the Ministry of Justice, for financial assistance. We give as much information as possible to families, but we redact information to ensure the security of personnel deployed on operations and to protect personal data. However, we provide non-redacted reports to coroners to help them decide which witnesses to call. The Oxford coroner has praised the MOD for the high level of support that he receives.

The timing of inquests is a matter for individual coroners, who are appointed and paid for by local authorities. My Department has a dedicated team to improve liaison with local coroners and to avoid delays. We provide payments for two members of the family to attend pre-inquest hearings as well as the inquest itself. We recognise how upsetting the delays caused by the repatriation of all service fatalities through RAF Brize Norton were for the families. We have therefore funded the appointment of deputy coroners to clear the outstanding inquests and, from 1 April 2007, repatriations have taken place via RAF Lyneham in Wiltshire, where there is no backlog. We continue to make quarterly statements to the House on progress and provide significant funding to the Wiltshire coroner for the task.

Accommodation is another matter on which there has been a great deal of focus, and of course we accept that some accommodation is just not good enough for our service personnel. However, we have plans to spend a significant amount of money—£5 billion—in the next 10 years. We have invested £700 million in accommodation in the past year alone, and more than 1,200 quarters were upgraded to the highest standard last year. A total of 20,000 new en-suite single bed spaces have been delivered in the past five years, and a further 20,000 will be delivered in the next three years.

As an example of the progress that we have made on family accommodation, this financial year, we will make improvements to 5,000 service family homes, including substantial upgrades to more than 600 of the poorest properties. We have also achieved key worker status for personnel in the south-east, and the MOD has introduced other initiatives to help the armed forces with house purchases. Service personnel may need access to social housing, and we have announced our intention to change the relevant legislation to ensure that they are not disadvantaged by the usual requirement for a connection

*[Derek Twigg]*

with the local area, which has been the subject of much discussion. We recently announced another £80 million to improve our housing stock.

I have focused on the role of the MOD in upholding the principle of the military covenant, but I am often asked about the contribution of other Departments, such as the contributions of the Ministry of Justice on inquests, the NHS on the care of both serving personnel and veterans, the Department for Innovation, Universities and Skills on training and the Department for Communities and Local Government on the provision of key worker housing. I am determined to develop even closer co-operation with those Departments to ensure that we provide an effective response to needs.

Beyond Government, society as a whole has a part to play. We should be imaginative and do what we can to encourage tangible acts of support rather than mere words. All parts of society have a role to play: commerce and industry, local government, charities and the public at large as well as the Government. Some organisations have already risen to the call to recognise the bravery and commitment of our service personnel. Local authorities and councils, the Royal Mail, football clubs and the City of London have offered their support. The Royal British Legion plays an important role in Project Compass, which helps homeless ex-service personnel to find work placements. I hope that the hon. Gentleman and other hon. Members will join me in promoting the need for greater public recognition of the huge contribution of our armed forces in often very difficult operations.

The Government take seriously their responsibility for caring for the needs of our armed forces personnel and veterans, as I hope I have outlined today. The Chief of the General Staff, Sir Richard Dannatt, agrees and has said that the military covenant "is not broken." I accept that there are areas in which we can improve our performance, but I believe firmly that the support that we give our armed forces is better than it has ever been. I look forward to continuing our close working relationship with the Royal British Legion and the other ex-service organisations so that we can build on our work and what has already been achieved.

## Midlands Engineering Industries Redeployment Group

1.28 pm

**Mr. Mark Todd** (South Derbyshire) (Lab): This debate is focused on a service that I support for two historical reasons. First, at one stage in my business career I had to handle a large-scale redundancy exercise. The task of dealing with just more than 60 people and their various experiences of what was mostly a traumatic event in their lives taught me that expert resources are required to assist with a redeployment of personnel caused by changes in company strategy or, worse still, by dramatic changes in the viability of a business.

At that time, my company was wise enough to employ dedicated, skilled, outside teams to provide that support, but many businesses choose instead to handle those tasks from within their own resources. Often, they do it cheaply and without the level of expertise that is required to deal with the very different responses that many employees have.

That was a personal background. The second reason is that I took part in the Rolls-Royce taskforce after the events of 9/11 when there was, predictably, a dramatic reduction in the marketplace for aircraft engines. Rolls-Royce, many of whose employees live in my constituency, had to downsize its business sharply and announced redundancies. That exercise not only introduced me to some of the techniques that were available to a forward-looking business such as Rolls-Royce to deal with such circumstances—they were impressive, and I commend them—but highlighted a tragedy. Here was a world-leading company with fantastic employees who had tremendous skills in engineering, but at the end of exercise, which was extremely successful in finding employees other occupations if they wanted them, 70 per cent. of them found their future earning potential outside engineering, so many of those incredible skills were lost to the sector and to our economy at large. It struck me at the time that we could surely do better than we did even with the tremendous work that Rolls-Royce put in and the resources that it set aside to help people find new careers.

Why is this subject important? I am someone who does not believe that our economy will be based on selling mobile phone services in the future. I think that we will have to make things and that our expertise and heritage in engineering is not a liability but a strength that we should build on. Analysis of the skills need in our economy shows that hard-to-fill vacancies are particularly high in engineering-related activities such as metal production, construction and vehicle maintenance. When we analyse the skills shortages reported by employers, exactly the same picture emerges, a picture with which we are familiar on an anecdotal basis, that it is increasingly difficult to obtain high-level skills, and that many employers have to compete vigorously to obtain those skills. Yet, it came back to me how many of those people had drifted away from the sector to find other occupations, perhaps because they were not given some basic support that would have enabled them to stay.

A resource is being wasted at a national level—a resource that surveys within the industry show is required. Let us look at the problem strategically. The traditional experience of long-term employment with one employer

is long gone and we should not regret its passing. We will increasingly see work forces flex according to market conditions; that is the only way for us to maintain competition in our country. The ability to produce competitive products and to innovate into the future will rely on a substantial amount of that flexibility, so there is no point in mourning the past. However, we will increasingly find more cases in which companies have to change direction, alter their work force profile and reduce head counts, often at the same time as other people are looking for similar skills. They may not be looking for precisely the same skills, but they might be close enough to be abridged by appropriate training.

The Anglo-Saxon model of industry implies competition over the work force, the raiding of other organisations for trained staff, and limited intelligent sharing on labour requirements beyond the limited surveys that I have quoted from because many people would see it as giving some competitive advantage to a competitor. The outcome is that training is not seen as a long-term commitment and that skills are lost in transition. Companies will lose those skills as they change and many of those skills will be lost to the sector altogether because there is not proper information sharing at appropriate times. In the more dirigiste continental model, there is much greater direct state intervention to subsidise the labour pools in which displaced employees are held awaiting future vacancies and are subsidised by the state. That is extremely costly, blunts the whole process of management and removes accountability, which is not a desirable outcome either.

The Midlands Engineering Industries Redeployment Group attempts to address this issue using the theory of clusters and by looking at businesses of common interest who can share information and support one another on matters that are not critical to their competitive advantage. The Minister will know that much of the theory on clusters stems from Italy and focuses on groupings such as the ceramic industries of northern Italy, which have been highly successful partly because they share large amounts of intelligence and compete only over certain aspects.

MEIRG has established a voluntary cluster network for fostering information exchange to facilitate labour planning and provide modest, targeted state aid in training and redeployment expertise. The costs are limited: about £500 per individual. That is modest indeed compared with how much my company paid for various expert services, 15 years ago, to support people in a major redeployment exercise. In just two years of existence, MEIRG has established a network of 520 employers across the midlands with interest in this sector. Some 380 employers have received some assistance from it, and nearly 3,000 employees who were affected by structural change have been given help. More than 800 employees have been helped with specific skills development, which involves identifying through personal interview the kind of skills that they need to acquire to enhance their ability to remain in the sector or close to it.

As a result of that work—I said at the start that 70 per cent. of the employees who were displaced from Rolls-Royce in 2001-02 left the sector—the retention rate in the sector in the cases in which MEIRG has intervened is 50 per cent., on average, and has reached 80 per cent. in some cases. Obviously, those figures vary, and it is difficult to measure these things tremendously precisely because the mix of skills will inevitably vary from business to business, as will their ability to port those skills around. Nevertheless, it is an encouraging and substantial improvement on previous experiences even those with high-quality employers such as Rolls-Royce, which invested a substantial amount of money in helping employees to move on.

MEIRG provides highly skilled people and a low-cost, mobile, internet-based service. Basically, a big truck turns up at a company and locates there, and interview facilities, support and advisory functions are provided to the employees who are affected. That has been shown to work well, as many employers in such circumstances do not have the capacity to do such things. Training is then procured on the basis of a personal assessment. There is not a quick-fit, generic approach but instead a personal assessment of the individual's needs and the kind of things that they are prepared to commit to, and then training is procured from third parties.

The scheme received a commendation from the European Restructuring Forum as an example of best practice in Europe, and I could give many individual references. I shall pick just one from a Saint-Gobain employee who benefited from the programme. I shall not name the gentleman involved. He stated:

> "I feel that MEIRG could not have done any better. The training was top class and so was the trainer. The best instructor I have ever come across. The back-up by MEIRG was second to none and the extra week enabled me to gain two more qualifications, i.e. TIG coding."

I do not know what that is, but I am sure that it was important to him, and that is the point. He concluded:

> "I would like to say thank you very much".

I also have several testimonials from employers who have worked with MEIRG. There is no compulsion involved. Employers do not have to use the service or join the network. They do so from choice and because they believe that they work.

At present, MEIRG is working with the Lear Corporation—I believe it makes car seats—in Nottingham, where 500 people will lose their job, and it has assisted in recent large-scale redundancies in Leicester and Chesterfield. MEIRG has had critical input from Rolls-Royce—it is no accident that there is a linkage. Key personnel give their time freely to it, and the experience that I referred to—the large-scale downsizing at Rolls-Royce—was obviously one of the influences in establishing the service. My own union, which is now called Unite—it was probably still called MSF when the scheme was first considered—has been strongly supportive in a general sense but also in providing key personnel who give their time to support MEIRG. There is consensual activity across the brief: employers and trade unions reflect on the work and recognise its importance and value.

I would like to pay tribute to the people who have given their time: Phil Derges works at Rolls-Royce but makes a substantial input, my constituent Mark Tiltley, who is a Unite representative, Jan Staley, who is the project manager of MEIRG, and her deputy, Jane Kenney. They provide an excellent service.

I have told Members how good the service is. Now, what do we do about it? Why should we care? First, funding is not guaranteed. MEIRG is currently seeking continuance support from the two regional development agencies for the midlands. I would welcome the Minister's

*[Mr. Mark Todd]*

noting my and my colleagues' strong support for the organisation, and carrying it to the agencies when they reflect on bids. At present, uncertainty is placing future work at some risk.

Secondly, we need to reflect on the example and the successes. The fact is that MEIRG shows that such a scheme works in engineering.

**Paddy Tipping** (Sherwood) (Lab): I join my hon. Friend in commending the work of MEIRG. It is an excellent, professional organisation. My hon. Friend has not mentioned the work that it does in schools to persuade students that engineering is a good profession. The paradox is that European funding is available, but unless the East Midlands Development Agency and Advantage West Midlands make decisions quickly, the project will have short-term financial difficulties. I ask the Minister to speak to the two development agencies.

**Mr. Todd:** I thank my hon. Friend and would repeat what he says.

I was saying that the scheme provides an example to other sectors. If it works in engineering, it could work in other sectors, too. And, obviously, if it works in the midlands, it is logical that it would also work in other parts of our country. We have much to learn from the experience, and it offers models that we can use in the future.

1.45 pm

**The Minister for Competitiveness (Mr. Stephen Timms):** I begin by congratulating my hon. Friend the Member for South Derbyshire (Mr. Todd) on securing this debate. He made a good case for the value of the work of the Midlands Engineering Industry Redeployment Group, and I am pleased to have the opportunity to respond.

There is no doubt at all about the continuing importance of engineering to the nation's economy. One of the things that I have found encouraging since taking on the role that I have played since June is the extent of the growing recognition around the UK among organisations such as the Engineering Employers Federation that engineering and manufacturing are doing well. The UK is the sixth largest manufacturing economy in the world, and there is a growing sense from evidence, not just from the EEF but from the CBI and the Chartered Institute of Purchasing and Supply, that the industry is doing well.

It is striking that today the UK makes almost twice as many cars—some, of course, in the east midlands—as it did 25 years ago. That is one of the points that I shall make tomorrow at the lobby on manufacturing that will be held at Parliament. Unite, the trade union to which my hon. Friend referred and of which I, too, am a member, will be involved in it.

The industry is particularly important to the area in and around my hon. Friend's constituency. There is a cluster of world-class engineering companies there. They are of the greatest importance—he made several references to Rolls-Royce—and make a substantial contribution to the economies of the locality and the region. I have some figures: in the east midlands region, the engineering sector accounts for about 6.5 per cent. of the region's gross value added, which is, contrary to what people usually think, a higher proportion than was the case 10 years ago, when it was 6.3 per cent. The regional development agency forecasts that growth in value added in the engineering sector will be higher than the economy-wide average during the next decade. The latest estimate is that engineering accounts for 4.5 per cent. of full-time equivalent employment. In the east midlands, that is expected to increase slightly to 4.9 per cent. in the next decade. There is no doubt at all about the importance of the sector in the regional economy, and it is important as well to recognise and, indeed, to celebrate the growth in the region.

However, my hon. Friend is right to remind the House of the structural change that has affected the industry. That is why I am pleased that we have been able to have this debate and that the House has had an opportunity to learn lessons from the experience and success of MEIRG. The debate has shown the real advantages of partners coming together to find a way to develop and deliver a service that is widely recognised as having a major impact on competitiveness and on the long-term future of companies' employees. I would like to join my hon. Friend in congratulating Unite and the other partners involved in MEIRG on their efforts and achievements. My hon. Friend mentioned a number of achievements, which impress me. Almost 3,000 people who were faced with structural change in the industry are being supported and more than 800 of them are being helped to develop skills. Almost 400 employers, mostly small and medium-sized enterprises, have been assisted. As my hon. Friend said, sector retention rates have been 50 per cent. routinely and sometimes up to 80 per cent. compared with a more typical figure in the industry of 30 per cent. It is not surprising that MEIRG has been selected as an example of European best practice in the management of structural change.

My hon. Friend reflected on his own experience of serious and difficult restructuring in a firm in which he worked. It is right to acknowledge how hard it is for people who are affected by restructuring exercises. He quoted one of the people who has benefited from MEIRG's work, and I noticed another:

> "MEIRG supported me through a very difficult time in my life. Being 50 plus and facing redundancy the support from MEIRG to obtain a professional qualification in Health & Safety has proved invaluable. It makes you feel that someone does care about an individual at a time of crisis. Thank you."

That conveys some of the emotion surrounding matters such as restructuring that we talk about rather forensically, but which create difficulties for and affect the lives of a large number of people.

In discussions with members of some of the Scandinavian social democrat parties they said that if they cannot save particular jobs, they can save people. That is the idea behind the initiative. There will be change and restructuring because of the pressure of globalisation and the ferocity of international competition facing engineering and other UK industries and companies, but we must support the people who are affected by that restructuring, and MEIRG has done an impressive job.

My hon. Friend was right to point out the need for continued flexibility, and that will be no less prominent in the engineering sector in the next few years than it was in the past few years.

I mentioned figures showing that growth in the engineering sector in the east midlands is set to continue. A number of economic challenges face the sector in the region, as well as throughout the UK. Recruitment issues regionally, such as hard-to-fill vacancies, are significantly higher than the UK average, and skills gaps are evident in a number of key subsectors, including mechanical, aerospace and materials.

I join my hon. Friend the Member for Sherwood (Paddy Tipping) in paying tribute to MEIRG's work with schools to encourage young people to consider a career in engineering. That is an important task for the next few years. Engineering and manufacturing do not have an attractive image for people in schools. We must change that, and ensure that the image reflects the reality of the impressive successes in the sector in the east midlands and elsewhere.

International macro-economics and shifts in labour patterns have heightened the vulnerability of engineering companies, particularly those with an international profile, to labour market opportunities in other countries, such as eastern Europe and further afield. Rolls-Royce has recently decided to relocate a research and development facility to Dresden rather than in the UK.

There is absolutely no room for complacency. My Department recently consulted on business support simplification because we want to declutter the large number of streams of publicly funded support available to business, which have been estimated to be around 3,000. We want no more than 100 by 2010, and we want to ensure that support is demand-led, and that it matches the needs of employers and their employees. Intervention in recruitment and redeployment will certainly be part of the package of the retained streams, and although they are designed primarily to help individuals, they encourage businesses to recruit from groups that would otherwise be disadvantaged, so they assist in companies' recruitment and challenges.

Lessons can certainly be learned from MEIRG's experience, and applied more widely. The internet-based redeployment facility has been impressive, and allows individuals to know about a wide range of engineering-related vacancies and employers to advertise current job vacancies. That has worked well, as has the mobile resource centre—I understand that it is known as ERIC—to which my hon. Friend the Member for South Derbyshire referred. It can be located with a particular company to provide extensive training facilities and sophisticated technology. It can also be used by companies experiencing restructuring and at short notice to provide redeployment advice and services to businesses and employees. Two examples of individual testimonies have been given in this debate, and I have read other feedback from users, including employers.

At national level, the National Skills Academy for Manufacturing, which was set up in January 2007, is working to raise the sector's global competitiveness by developing top-quality, fit-for-purpose solutions to training and development needs. There is no doubt that we need more of that in future. Like MEIRG, its focus is delivery-led, and aims to meet employers' needs and to add value to their businesses. The East Midlands Development Agency is investing £429,000 in a three-year initiative to develop a regional branch of the National Skills Academy for Manufacturing. That important initiative will be chaired by Rolls-Royce and supported by a range of businesses, together with the university of Derby and Derby college.

We are committed to ensuring that the support that businesses need is available to them when they need it. The model that MEIRG has pioneered and developed has been an important addition to our understanding of what needs to be done, what can be done and what works in restructuring with innovative approaches to redeployment, reskilling and upskilling. I am pleased that the European Union's EQUAL programme and EMDA have been able to contribute financially to MEIRG, thereby allowing new approaches to be tried, tested and developed. We must learn from that. Support for business as a result of the business support simplification programme and the Leitch review objectives on skills provide extra focus on the areas on which the Government should concentrate. I recognise that this is certainly one of them.

My hon. Friends have spelt out clearly their aim to ensure that funding for MEIRG continues beyond its current cut-off point in March next year. I cannot offer any commitments on funding, but I note the point that my hon. Friends made, and can go a step further and say that I will write to the chairs of the two RDAs involved to draw their attention to this debate and to my recognition of the importance of MEIRG's task. We must then await the decisions that those two bodies will make now that their spending settlement has been announced in the Chancellor's pre-Budget statement last week.

I acknowledge that MEIRG has substantial support, as this debate has demonstrated. There is a desire to ensure that the good practice that it has developed is not lost, and I know that consideration is being given to securing funding to take the project beyond 2008. I can only wish those efforts success, and thank my hon. Friends for taking the trouble to draw the Government's attention to MEIRG's achievement.

*Question put and agreed to.*

*Adjourned accordingly at two minutes to Two o'clock.*

# Westminster Hall

*Wednesday 17 October 2007*

[SIR NICHOLAS WINTERTON *in the Chair*]

## Defence Exports

*Motion made, and Question proposed,* That the sitting be now adjourned.—*[Mr. Roy.]*

9.30 am

**Sir Nicholas Winterton (in the Chair):** The House is rightly concentrating on defence, with a debate in the main Chamber last week and another debate yesterday. The hon. Member for Newbury (Mr. Benyon) has secured an important debate here in Westminster Hall today.

**Mr. Richard Benyon** (Newbury) (Con): It is a great pleasure to serve under your watchful eye this morning, Sir Nicholas. I also welcome the Minister to his place. I suspect that the Ministry of Defence and the Department for Business, Enterprise and Regulatory Reform had a battle to decide which would reply to the debate. It is a matter of huge regret that the Minister's Department lost but, nevertheless, in a personal sense, it is good to see him here.

The Prime Minister, in his leadership acceptance speech, said:

"One of my first acts as prime minister would be to restore power to Parliament in order to build the trust of the British people in our democracy."

We all welcomed that statement. Today, we have an opportunity to hold the Government to account for what I believe is the classically bad decision to close the Defence Export Services Organisation and move its residual role to another Department. On 25 July—the day before parliament rose for the recess—the Prime Minister went very much against what he said in his speech by sneaking out a written statement of just 19 lines that brought to an end 40 years of successful Government support for our defence export sector. Some people will call me naive, but I hope for some answers from the Minister this morning about the closure of DESO.

I chose the subject of this debate carefully, as I want to point out how damaging the decision is, and what impact it will have on the future of defence exports. I want to know what was going on in the Prime Minister's head—I think that we all do from time to time—that led him to do such damage to such a successful brand. And let us be assured: the brand is dead. Whatever arises from DESO's ashes, the perception in the marketplace is that Britain is out of the game. The best people are leaving to work in the private sector and there is a general belief in the marketplace that the British Government want nothing to do with defence exports. I noticed how happy some organisations opposed to the arms trade were with the decision, and there was talk of parties being held after the announcement. However, I submit that their joy should be short-lived.

**Dr. Julian Lewis** (New Forest, East) (Con): One group of people who, I am sure, are delighted at the decision are members of the Liberal Democrat party, who have always been enemies of defence exports, no matter how legitimate and proper. Has my hon. Friend any idea why there is not a single Liberal Democrat present in the debate—not even their spokesman?

**Mr. Benyon:** I suspect that they have other things on their mind at the moment, but they should not delight in the decision. Perhaps they mistakenly believe that stopping arms sales and defence exports from this country will somehow improve the situation around the world. Countries such as Russia and China are salivating at the prospect of expanding their defence export sales at our expense. The consequence will be an expanded manufacturing base in those countries which, unlike us, do not care much about the question of to whom they sell arms. That is the great mistake of the Liberal Democrats and others opposed to the arms trade.

**David Taylor** (North-West Leicestershire) (Lab/Co-op): Does the hon. Gentleman acknowledge the fact that it is possible to rejoice in the imminent demise of DESO without necessarily being against defence exports as such, and does he accept the estimate made by many reputable economists that the section of the economy linked to defence exports is less than 0.2 per cent.—less than one job in 500? That is not exactly a body blow to the British economy, is it?

**Mr. Benyon:** That is one of the most dangerous and complacent views that I have heard on the whole issue. I have constituents working for small companies of 25 people that depend on DESO when they go abroad. Those companies do not have a large marketing department. They do not know how the economy and marketplace work in some countries. They go straight to the post. If the hon. Gentleman thinks that £5 billion a year of arms sales and defence exports is insignificant to the economy, I urge him to consider the tax take from those companies, and what the effect will be on hospitals, police and public services in his constituency.

The debate is intended to draw out from the Minister important answers to important questions: why the Prime Minister took the decision, and why it was dealt with in such an underhand and incompetent way. The decision came only a few days after the Prime Minister called for government to be more open and accountable. I cannot think of a decision that was more closed or more designed to avoid being held to account. It came less than 10 days after an advertisement appeared in *The Sunday Times* advertising the post of director of DESO. Why was the decision made without any provision for what would fill the vacuum created by DESO's demise? At the very least, one would expect the most basic measures to be in place for what was to come post-DESO.

Internal briefing documents for staff about that extraordinary decision are flying around Whitehall and Westminster. They are in question-and-answer form, and some of them have fallen into my hands and my colleagues' hands. The answer to one question is:

"How UKTI will manage their responsibility for defence trade promotion remains to be decided."

*[Mr. Benyon]*

Another question asks:

"Where will the transferred staff be located"?

The answers states that that is "to be decided." The answer to the question of whether staff will

"transfer to UKTI on the same terms and conditions as they have now"

is that that will be

"worked out during the implementation and planning phase."

Another question asks:

"What will happen to the (Army) Export Support Team?"

Importantly—and this relates to the point made by the hon. Member for North-West Leicestershire (David Taylor)—the answer, again, is that that is "to be decided." The question of what will happen to the DESO first secretaries overseas, too, is "to be decided." What an extraordinary decision from a Government who claim to be competent, open and accountable. How extraordinary to make a major change to a Department and to have nothing in place—nothing; a vacuum.

Why was there no consultation with industry? In a debate last week, several Members quoted letters from large companies—one was from the managing director of BAE Systems—and companies such as Thales. Many other letters in circulation have come to my attention. Why was there no consultation with the unions, as required under civil service codes? For the past few days, I have been talking to the unions, and I can find no evidence of any formal briefings, discussions or consultations about what transfers will take place or under what conditions DESO employees will be employed in any new organisation. More importantly, why was there no consultation with Ministers? I think that the House deserves to know when the Secretaries of State for Defence and for Business, Enterprise and Regulatory Reform were informed of the decision. I would that that happened on or around 25 July, and that it was as much a surprise for them as it was for the rest of us.

Why was the decision taken in a manner designed to prevent proper parliamentary scrutiny? The House, the industry and its hundreds of thousands of employees, as well as the dedicated staff at DESO, deserve answers. I do not wish to prejudge the Minister, but I must warn him that it would be contemptible if in his reply he simply dished out the usual blandishments and non-answers about how DESO has done excellent work in the past. We know about that, and accept that it is a remarkable organisation.

**David Taylor:** The announcement did not relate to the end of the British defence industry; it related to the imminent demise of DESO, which employs about 450 staff in London and overseas, including 200 who work on Government-to-Government contracts. If a large employer of, say 1,000, 2,000 or 5,000 employees had their operating base closed by Government edict, the hon. Gentleman would expect a statement to the House and consultation at the highest level, but we are talking about 450 jobs, and those people will be readily redeployed in other areas of Government industry.

**Mr. Benyon:** I hope to prove to the hon. Gentleman that his view is mistaken. It is of fundamental importance that DESO should remain part of the MOD. He is right: we are talking about only 400 or so people, but there are much wider implications for the economy as a whole.

**Mr. Crispin Blunt** (Reigate) (Con): I congratulate my hon. Friend on securing the debate. The intervention from the hon. Member for North-West Leicestershire (David Taylor) betrays a lack of understanding of the specialist requirements of defence exports, which are an extremely complicated area of business to manage. They are of fundamental importance not only to our economy, but to the armed forces, because a successful British defence export base supports our forces and ensures that they have more kit than they would otherwise have for the requisite defence budget.

**Sir Nicholas Winterton (in the Chair):** Order. Interventions should be brief, so the hon. Gentleman should bring his remarks to a fairly speedy conclusion.

**Mr. Blunt:** I am grateful to you, Sir Nicholas. I congratulate my hon. Friend on securing the debate and I look forward to the Minister's reply.

**Mr. Benyon:** I am grateful to my hon. Friend for putting more eloquently than I could have done the argument I was about to make in response to the point made by the hon. Member for North-West Leicestershire.

I hope that the Minister will not claim that defence exports would be better served by operating within UK Trade and Investment. The Minister knows that nobody outside the Prime Minister's narrow circle and one or two Labour Back Benchers believes that that is the case. To take up the point made by my hon. Friend, as of this weekend, the DESO website—I suspect that the announcement will not be there in a few hours' time—says with a pride which, I am sure is matched by that of the dedicated DESO staff, that it gives

"assistance to company-led marketing campaigns".

It says that it supports the "MOD's defence diplomacy efforts" and its "partnerships and alliances". It says that it offers "security building measures" and promotes

"British interest and influence abroad".

Those are four good reasons—key strategic reasons—for keeping DESO, or that Government discipline, in the MOD.

The Government support all exporters through their agencies, but defence exporters need support from the MOD, mainly because they sell to overseas defence ministries. DESO's website states that it is

"an integral part of the Ministry of Defence"

and

"is well placed to give defence industry the kinds of support it needs".

**Mr. Nicholas Soames** (Mid-Sussex) (Con): My hon. Friend should remember in his excellent speech that the point of DESO was that it was separate from the various dud organisations that have promoted—allegedly—British exports overseas under Governments of both parties. Such organisations were monstrous bureaucracies, but DESO was lean, extremely fit, and accomplished. That is why it attracted the Prime Minister's opprobrium.

**Mr. Benyon:** My hon. Friend has huge experience in this field and I hope that he will contribute more to the debate, but he is absolutely right. We are talking about a highly technical economic activity and it is vital both that it is linked to service personnel, who understand the equipment that DESO helps to sell, and that there is hands-on use of the equipment in the field.

The DESO website states that its activities

"differ from those in the civil sector in many respects because of the specialised requirements of...military customers".

My hon. Friend is right that DESO is a lean organisation. It does not operate under the leaden hand of departmental organisations that seek to help business but which sometimes have the opposite effect.

DESO has 460 staff worldwide and about 200 in the UK—that number is falling rapidly—and has an annual net budget of £16 million, which is paltry in terms of MOD spending. However, it assisted with £500 million-worth of sales last year and contributed massively to the value of defence exports, which averaged £5 billion. The DESO brand is trusted around the world, which has helped to place Britain second only to the United States in defence exports.

**David Taylor:** The hon. Gentleman said that DESO is a trusted brand. Does he believe that that trust was damaged by the organisation's involvement in the al-Yamamah deal with Saudi Arabia? That deal inflicted its most recent casualty yesterday when the chief executive of BAE Systems departed early.

**Mr. Benyon:** The hon. Gentleman ought to do more research. The MOD Saudi Arabian projects organisation—MODSAP—handled that deal on a Government-to-Government basis. The deal was not as he alleges. I shall address his point more broadly, because I believe that the al-Yamamah deal is partly responsible for the bizarre decision on DESO.

**Mr. John Spellar** (Warley) (Lab): Would not a deal such as al-Yamamah still be dealt with by the MOD under the new arrangements? Government-to-Government deals would still be the provenance of the MOD and separate from company-to-Government deals, which would be dealt with by the Department for Business, Enterprise and Regulatory Reform.

**Mr. Benyon:** I hope that the right hon. Gentleman is right. We are talking about Government-to-Government deals, which were not part of DESO's remit and will not be part of what we are led to believe will follow DESO.

**Dr. Julian Lewis** *rose—*

**Mr. Benyon:** If my hon. Friend will allow me, I will give way to him once I have completed my point.

Was that daft—I use that word carefully—decision taken, as my hon. Friend the Member for Mid-Sussex (Mr. Soames) claimed last week, as

"an act of bovine stupidity, engineered by some communist woman at the Treasury"?—*[Official Report*, 9 October 2007; Vol. 464, c. 223.*]*

We need an answer from the Minister. Was the decision made to appease to some faction within the Labour party? In answer to the point made by the right hon. Member for Warley (Mr. Spellar), I wonder whether it was a classic piece of new Labour spin. Did the Government perceive a problem with the BAE Systems al-Yamamah deal, and did they wish to park it? Getting rid of DESO means that they can say to the Liberal Democrats, or any organisation with which they may wish to make deals, that they have dealt with the issue. It does not matter that DESO was not part of the deal or that the issue was not about DESO. The decision is hugely damaging and wrong, but the Government have taken it.

**Dr. Lewis:** The hon. Gentleman has made the point that I wished to make a few moments ago. Surely this is a classic piece of horse trading and gesture politics. The Government are on the back foot, as their own left wing and the Liberal Democrats are baying about the dropping of the BAE Systems case. The decision is a sop—a piece of red meat thrown to the lions, irrespective of the merits of the case.

**Mr. Benyon:** My hon. Friend who, like my hon. Friend the Member for Mid-Sussex, has great experience in these matters, is absolutely right. To mangle an analogy, the decision is like using a sledgehammer to miss a nut.

Sustaining a capable and flourishing UK defence industry base, as my hon. Friend the Member for Reigate (Mr. Blunt) said, offers the UK a strategic advantage. It allows us to depend on quality, home-grown procurement for our defence needs. It helps keep down the cost of UK defence procurement by creating competition between domestic and overseas suppliers and generating economies of scale. It also helps to co-ordinate directly our armed forces' urgent operational requirements in the field, which feed through into our defence exports. I am talking about real operational experience from our armed forces. Keeping that operation in the MOD strengthens relationships, with positive consequences for both military and foreign security policy objectives. The Government ignore that point at their peril. It is not I who has thought this argument up. It is all there in the Government's defence industrial strategy 2005, which states:

"A strong defence industrial base is important for the UK's defence."

I ask hon. Members to consider for the moment a small African country—Botswana, let us say. Some people in the House believe that it is entirely wrong that a poor country such as Botswana should spend money on arms, but it has a right to defend itself. It has a right to have a small number of armed forces, and it may wish to take part in African Union missions to places such as Darfur. Where should Botswana go? Its first port of call should be the country with which it has a relationship—Britain. In the circumstances, I foresee that Botswana will believe that there is no value, no relationship, no future in coming to a country such as Britain, and it will receive a very welcome invitation from countries such as China, Russia or Israel. Many of those countries have very different attitudes towards arms sales from us.

The value of the export support team in our missions around the world is evidenced by the letter that has come into a number of hon. Members' hands from Helen Liddell, the high commissioner to Australia, who eloquently sets out her experience in a mission of

*[Mr. Benyon]*

the value of such organisations and the way in which a country such as Australia buys into a relationship. She explains how a small manufacturer in any of our constituencies can go to Australia, go straight to the post, talk to the DESO representative—the first secretary—to understand how to do business with the Australian Government. It is vital to maintain that link, which operates through the military attaché network as well. I therefore hope that the Minister shares with the House the reaction of the key players to the Prime Minister's decision.

We understand that two Ministers—Lord Jones and Lord Drayson—are very keen to make whatever comes out of this mess work. I pay tribute to them—I shall pay tribute, too, to the Minister for Employment Relations and Postal Affairs if he is prepared to give us that assurance—but things have not started very well. There are reports in the trade press that Lord Jones has described the Prime Minister's decision as "bonkers". Lord Drayson is alleged to have said, in the hearing of many officials, journalists and others at the farewell party for the director of DESO, Alan Garwood, that the Prime Minister's decision was a great mistake. Such candour is to be admired. I hope that we hear more of it, and that it manifests itself in a genuine desire to sort out this mess.

Was the Secretary of State for Defence involved in the decision? If so, when did he learn of the Prime Minister's tortured thinking? What is the involvement of the mysterious Baroness Vadera? I assume that she is the person to whom my hon. Friend the Member for Mid-Sussex referred last week. We are told that she has enormous influence over the Prime Minister and I think that the House deserves to know what her involvement in the matter is. What about the defence industry? We have heard from BAE Systems, Thales and others organisations. How many other companies have written to the Prime Minister, to the Minister or to others to complain? How many small companies in our constituencies have complained to the Government about the decision? The decision is much more important for them than it is for larger companies, which have large marketing departments and have experience all over the world. It is the smaller companies that account for a large percentage of the several hundred thousand employees affected—the people who need the support most.

What about the unions? What issues have they raised with Ministers? I said earlier that a number of them have not yet had the discussions with Government required under civil service rules. How many ambassadors and high commissioners were as bemused as Helen Liddell was in her letter? How many of them have contacted the Government? With open and accountable government, these matters should be put before the House. It is simply not good enough for the Minister to come here today and pretend—and I hope he will not do so—that he did not expect to be asked these questions. His civil servants will have told him what was said in the House last week. He will know that internal memos, minutes and documents relating to the matter are flying around Westminster and Whitehall like confetti.

I am grateful to those hon. Members who could not attend this debate or, indeed, last week's debate on defence procurement for providing me with a wealth of material from constituents and others closely involved with DESO. A great many people, with varying degrees of involvement, are so disgusted with the Government's behaviour that there is no shortage of information on just what has been going on inside this dysfunctional Government. If we do not receive answers today, this matter will run and run and become a festering sore for the Government. I have already drafted a raft of written questions, and I shall table them formally after our debate if the House does not receive the answers that it deserves. The Freedom of Information Act 2000 offers tempting avenues if approach fails. I hope that the Select Committee on Defence, on its return from an overseas trip, will set in train a detailed investigation into the matter.

I hope that the Minister will not insult our intelligence by claiming that the decision will strengthen UKTI and put this vital area of economic and strategic importance on a better footing. I hope that he will not make the fatuous claim that it will somehow remove the clutter of another department from the MOD. DESO was one of the great success stories, precisely because it was part of the MOD as well as being at arm's length from operational matters. We may attack the decision and the way in which it has been taken, but we must obtain answers for the future. What arrangements exist in UKTI to undertake the work currently being carried out by DESO? I am sure that Lords Drayson and Jones want to make the best of it, but a rumour is going round among colleagues in the know that whatever emerges in UKTI may have the politically correct title of "Defence Services Research Group." I urge the Minister to tell us that that is not so, because it sounds like some quasi-intelligence organisation, and customers will not want to touch it with a bargepole. Most of all, the industry wants to know if support for defence exports will remain part of the MOD's remit. I hope that the Minister will not pretend that the process was a well thought-through, strategic change to the machinery of government. It was a ham-fisted and poorly thought-through decimation of four decades of success.

9.57 am

**David Taylor** (North-West Leicestershire) (Lab/Co-op): Thank you for allowing me to speak, Sir Nicholas. I did not intend to speak, but the hon. Member for Newbury (Mr. Benyon) has provoked me to make certain comments.

There is a strong case for withdrawing Government financial support from the Defence Export Services Organisation. We are dealing with an internationalised arms industry. DESO was set up by the then Defence Secretary Denis Healey in 1966; it was then called the Defence Sales Organisation. There was at that time an identifiable UK arms industry, which existed primarily to supply the UK's own armed forces, and a UK arms export would then have been relatively easy to identify and define. Today, there is no identifiable UK arms industry. Military industry is internationalised, with most equipment containing components and sub-systems from a variety of companies. The companies may have their headquarters in one country, but subsidiaries in several others.

**Mr. Spellar:** May I put it to my hon. Friend that the British defence industry is very identifiable by the tens of thousands of skilled British workers who are working in British factories throughout the country and often at the cutting edge of technology, which is an important driver in maintaining Britain's manufacturing base? I think that they could identify the defence industry quite well.

**David Taylor:** That is not the point that I am making. In an earlier intervention, I made the point that one job in 500 in the UK economy is linked to the British defence industry. I shall try to make my point in a different way. BAE Systems illustrates the trend. It sells more to the US Department of Defence than it does to the UK Ministry of Defence. Most of its shares are held outside the UK, and barely one quarter of its work force is employed in the UK. It would already be a US company had it been able to persuade one of the massive US companies to buy it. BAE Systems and the other major arms companies exist, of course, to maximise profits for their international shareholders and they have little or no commitment to the UK and UK defence.

Astonishingly, DESO has responded to that internationalising trend not by being more selective about which exports it supports but by broadening its assistance. In 2005, Alan Garwood, the head of DESO, was asked what determined whether his organisation would consider a particular export a UK one and thus entitled to DESO support. His reply is lengthy, although I shall shorten it, but it illustrates that the definition of an export worthy of DESO support, and by implication the UK Government's and taxpayers' support, is both wide and unclear.

**Dr. Julian Lewis:** I congratulate the hon. Gentleman, who did not intend to make a speech, on having such an extensive script from which to read. His general theme seems to be that DESO—or should I say the British defence industry, which is formally represented in DESO's activities—is not worth all that much to the British economy. Does he accept that it is worth some £5 billion a year, and does that figure not strike a chord in his memory as being exactly the size of the present Prime Minister's raid on pension funds when he was Chancellor of the Exchequer?

**David Taylor:** The figure that the hon. Gentleman quotes may or may not be correct. I do not think that what amount the former Chancellor took from pension funds is a subject for this debate.

When asked that question, Alan Garwood said:

"The broad test for assessing DESO support to a UK-based defence exporter is not company ownership but the added value that the export would bring to the UK defence industrial base. When assessing competing bids, including situations where one of the suppliers may be foreign-owned, employment, the quality of the work, and the transfer of technology to the UK will be key influences."

Swedish fighter aircraft have received DESO support, as they

"use some UK-manufactured components",

and exports by the UK subsidiary of the US-based Lockheed Martin might also qualify under that definition.

Military exports are not unique in raising questions about the appropriateness of UK Government support for a multinational commercial enterprise. As the hon. Member for Newbury mentioned, the Export Credits Guarantee Department is holding a consultation on foreign content in which it proposes to address the problem with a formula based on percentage terms. In contrast to the ECGD's approach, DESO's UK test seems noticeably vague. It is unclear how it was developed, and the test is open to subjective decisions by DESO, which—particularly if there are competing bids—is left susceptible to lobbying.

I turn to second-hand sales. A major part of DSO's work was to sell surplus UK armed forces equipment, thus making a return to the Ministry of Defence. However, two and a half years ago, the Disposal Services Agency, which is responsible for that work, moved from DESO to become part of the Defence Logistics Organisation, so the need to recoup MOD costs is no longer a reason for continuing Government support for DESO.

Should a private industry receive public subsidy? DESO co-ordinates most of the direct Government support for arms exports, provides marketing assistance and advice on negotiation and financing arrangements and organises exhibitions and promotional tours. The hon. Gentleman is quite right —the budget for operating costs is a relatively limited one, at £15 million or so during the last financial year.

As well as DESO's assistance, the arms companies value the position DESO gives them at the heart of government. The head of DESO is always seconded from an arms company. DESO can argue a company's case against other Departments and, through its explicit role of lobbying Ministers, is likely to distort policy making.

**Mr. Spellar:** In order to understand my hon. Friend's argument fully, may I ask a simple question? Does he think that the United Kingdom should be exporting defence equipment or not?

**David Taylor:** I am quite happy for defence equipment to be exported by the UK defence industry. It has an appropriate part to play in countries around the world. There are some examples of exports going to regimes that should not be receiving UK arms by that or other means, but in general I am happy. With parts of it, I am not. I hope that that answers my right hon. Friend's question.

Military exports undoubtedly bring commercial benefit to UK-based companies—I acknowledge that—but it is not the same as benefiting the UK economy as a whole. Taxpayers should not be in the business of subsidising private companies to help them boost their profits and share prices.

**Mr. Gerald Howarth** (Aldershot) (Con): I am grateful to the hon. Gentleman for reading out his brief from the Campaign Against Arms Trade. Perhaps he has not been briefed on this, but does he not accept that defence exports enable British industry to achieve economies of scale that reduce the unit cost of British defence equipment to the United Kingdom Government? In other words, defence exports result in direct benefit and cost reduction to the Government.

**David Taylor:** That is an interesting hypothesis, but it is not necessarily borne out by the facts. I do not think that that suggestion is true in practice.

What would happen if the arms trade to certain regimes were scaled down? The many millions invested in that industry could be invested in others, such as renewable energy and transport, creating new and highly skilled jobs.

**Mr. Ben Wallace** (Lancaster and Wyre) (Con): I understand the hon. Gentleman's feeling about the arms trade, and I respect it. It is interesting that he is here today to speak on the abolition of DESO. I have not yet seen either an early-day motion or an Adjournment debate in his name about the abolition—it happened almost without a press release—of the Defence Diversification Agency, whose job was to diversify the defence industry into the UK market. It is contradictory for him to come here and not mention that. It is part of the same issue that he has raised today.

**David Taylor:** That is a fair point. When I get back to my desk, I shall look to see whether there has been an omission or oversight leading to the lack of an early-day motion to that effect, but I am not sure whether the hon. Gentleman's point is accurate.

The existence of DESO places the reputation of the Government and the UK at risk. Military industry ranks alongside construction as the world's most corrupt sector. DESO's close ties with and public support for military companies risks tainting the Government with allegations of corruption. There is quite a long track record of it. Back in the late '60s and early '70s, DSO officials turned a blind eye to corruption in UK arms sales to Saudi Arabia. More recently, before the al-Yamamah probe was dropped, the Serious Fraud Office interviewed Alan Garwood under caution. It is understood to have asked him whether DESO knew if payments made to Saudi officials continued after 2001, when the law was changed to make payments illegal that could be construed as bribes. I refute the point made in an intervention that DSO had no involvement in the al-Yamamah deal. It might have been a Government-to-Government deal, but DSO provided advice, support and consultation. Its fingerprints are all over that unfortunate deal.

**Mr. Spellar:** Why does my hon. Friend describe as unfortunate a deal that kept tens of thousands of skilled British workers in employment at the cutting edge of the technology industry, particularly in the north-west? What does that say to workers in the north-west?

**David Taylor:** When I described it as unfortunate, I was referring to the circumstances—the financial arrangements and the covert organisation that existed to push substantial sums into hidden pockets in Saudi Arabia and elsewhere. That is what is unfortunate—not the deal, the arms or the country receiving them but the arrangements surrounding the deal. I am sure that my right hon. Friend will want to contribute to the debate later, having worked as a Minister with some distinction in the relevant Department earlier in our Government's time in office.

I wish to make two further brief points. Military exports are often justified as a way of ensuring continuity of production, so that the UK's armed forces can be supplied whenever necessary. However, exports can take precedence. For example, the first 24 Eurofighters for Saudi Arabia will be taken from those that were originally destined for the RAF. That is hardly continuity in supply for the UK's armed forces.

Finally, one reason given for wanting the continuation of DESO—we shall see what happens after its demise—is that public support for military exports is based on defence diplomacy. However, the Saudi Arabia saga exposed the lunacy and fallacy of that argument. For all the Government's desire to expand our influence around the world, the dropping of the SFO inquiry—perhaps the Minister will incorporate an answer to this point in his reply—shows clearly that the real power lies with the customer Governments and the supply companies. The interests of the Government and the taxpayer come a very poor third and fourth in that equation.

Although I respect the motives of the hon. Member for Newbury in wanting to debate the subject—I congratulate him on its timeliness and on his speech—the activities of DESO, its style and its involvement in numerous dodgy deals over many years mean that it is at last being consigned to the wastepaper basket of the defence industry. That is where it deserves to be. The UK defence industry will continue to thrive and expand, it will continue to provide jobs and advance technology, and it will continue to be a British influence around the world. It does not need DESO. DESO is a barrier to that; it is a brake, not an accelerator or a catalyst. DESO is going, and good riddance to it.

10.11 am

**Mr. Nicholas Soames** (Mid-Sussex) (Con): It is a pleasure, Sir Nicholas, to be under your chairmanship for a debate on defence, as no one has done more over the years to support the defence industry and our armed forces. I am pleased to contribute to the debate. It was initiated by my hon. Friend the Member for Newbury (Mr. Benyon), who rightly pounced on the matter as being of the first importance to our national life.

As far as I know, I have never seen the Minister before in my life. I understand from "Dod's" that he was the last Prime Minister's political secretary. Of one thing we can be sure: the last Prime Minister would not have behaved in this way about DESO—as the Minister will know. I put it on record that there can be no more inappropriate person to answer this debate than a Minister for Employment Relations and Postal Affairs. It is a farce that, on such a matter, the Government could put up a Minister who has had absolutely no interest in or responsibility for any of the decisions that we are debating today. I hope that the official channels will note that fact, as it deserves broader and wider recognition in the House.

As my hon. Friend pointed out so well, the DESO decision was not a well thought out strategic change to the machinery of government. It was, as he said, a ham-fisted and poorly thought out decimation of four decades of outstanding success and service to UK Ltd.

It was not only a bad decision, it was a rotten decision. It was taken to appease a number of factions. I understand it was done to appease a communist who works in the Treasury, and it was done in a thoroughly underhand and low way.

I understand that only nine days after the appearance of an advertisement in *The Sunday Times* for a new head of DESO, the permanent under-secretary at the Ministry of Defence was summoned to No. 10 to be told that DESO was to be closed. The permanent under-secretary then informed Sir Alan Garwood, the head of DESO, who informed his staff the next day. There was no consultation. Not even Sir John Rose, the chief executive of Rolls-Royce, or Mike Turner, the admirable chief executive of British Aerospace, were informed that the change was about to take place, let alone consulted about it. That is in keeping with the present Prime Minister. Indeed, it is my strong belief that the Secretary of State for Defence was not told. As you may know, Sir Nicholas, the Secretary of State was not even told that the Prime Minister was to make an announcement in Iraq about the return of 1,000 men, most of whom were already here.

As I said, the change was dressed up as an improvement to the machinery of government. If one can believe it, that change included a Government proposal to undergo a major reorganisation of the head office of the Ministry of Defence—which is to proceed at exactly the same time as they are prosecuting a war on two fronts. It is hardly surprising that parts of the Government should be held up to ridicule and contempt if they take their eye off the ball in order to reorganise head office at the same time as their men are fighting on two separate fronts. It is, indeed, an astonishing decision. It is living proof that this Government are not competent, open or accountable.

I ask the Minister to answer these questions today. Was the Secretary of State told before the decision was taken? Was he consulted in any way? Was Lord Drayson, Minister for Defence Equipment and Support, consulted? I want answers to those questions before the Minister finishes replying to the debate.

The point of DESO is this: it is an extremely efficient, effective and vigorous promoter of its operations, quite unlike the dud organisation into which it is to be broken up and shunted. I had the privilege, as did the right hon. Member for Warley (Mr. Spellar), who was a doughty defender of defence interests, to be Minister of State for the Armed Forces and to work alongside one of the great heads of DESO, Sir Charles Masefield. He was a truly remarkable man. His energy, commitment and effort, together with that of DESO, secured major international successes and commercial contracts for British companies of all sizes.

I strongly commend the words of my hon. Friend on the vital importance of the holistic approach that DESO took to the defence industry; it dealt not only with the great companies but with the small businesses struggling to make their way in overseas defence markets. I have the greatest admiration for DESO, especially for its success overseas in the interests of our country. It is one of the most effective organisations for the expansion of British commercial interests overseas.

DESO linked extremely well and very effectively with our embassies and attachés, and it had unrivalled knowledge of its markets—something that UKTI could not even begin to achieve. It took a seamless approach; everyone knew what DESO was doing. The staff of DESO attached to our embassies and high commissions were extremely good at developing those vital markets. The Government are quite unclear about whether the staff will be retained.

As I said, the decision was taken in order to appease a number of factions in the Labour party. One has to assume that those who initiated the decision are working for another power. They cannot be working in the interests of the United Kingdom. They appear to be determined, for that is what they will do, to undermine the commercial efforts of Britain in some of the most competitive and important markets for our commercial endeavour overseas.

I believe that the Select Committee on Defence should examine that grotesque decision, taking evidence from all the parties involved on how it came about, who was responsible, who initiated it and what were the thoughts behind it. Clearly, no strategic thought was given to the change. It is a terrible, dud decision, and my hon. Friends and I will continue, through parliamentary questions, debate and with freedom of information, to get to the bottom of the matter. We have little hope of hearing anything useful from the Minister. However, if he intends to remain an honourable member of the Government—I am sure that he is—he must answer openly and make the Government accountable for that decision, and tell us today how it came about, who took it, and what he believes the consequences to be.

I cannot believe that the Government can do such a stupid thing. DESO has been a great success for this country. As I said in the House last week, wilfully to undermine it, break it up and take it out of the Ministry of Defence, which has the back-up and the people to know what it is doing, and where it is linked into our defence diplomacy and export efforts, is a decision of bovine stupidity.

10.20 am

**Dr. Julian Lewis** (New Forest, East) (Con): When you introduced the debate, Sir Nicholas, you said, quite understandably, that this is one of a series of debates on defence that have rightly been occupying the House's attention in recent days. If only that were true. It would have been true had the debate been held a few months ago, but as we can see from the Government's representation here today, the Government do not regard the debate as one about defence at all. The Minister answering for them is not a Minister for defence, but for the Department whose title, I believe, is the Department for Business, Enterprise and Regulatory Reform, or DBERR for short. As I would understand it from any lexicon, the word "deburr" would mean something like "to take the rough edges off something", which I am sure is what the Government have been trying to do by making this meretricious and indefensible move.

The significant aspect of the debate is not so much the difference between the opinion of every Opposition speaker, on the one hand, and on the other hand that of the Government and of the one speaker from the Labour Back Benches who so far has defended their move. What is significant is the debate that took place

*[Dr. Julian Lewis]*

in a series of interventions on that one speaker, the hon. Member for Wolverhampton, South-East, by his right hon. Friend the Member for Warley (Mr. Spellar), who was a distinguished junior Defence Minister at the time when the Government were producing sensible documents such as the strategic defence review.

**The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden):** The hon. Gentleman might wish to correct his references to hon. Members. I am happy to defend all my own comments, but I am the Member for Wolverhampton, South-East. I believe that the hon. Gentleman was actually referring to my hon. Friend the Member for North-West Leicestershire (David Taylor).

**Dr. Lewis:** I am happy to acknowledge that error, and I only hope that that will not be the sum total of misapprehensions on which the Minister is able to correct this side of the House. His hon. Friend the Member for North-West Leicestershire (David Taylor) and his right hon. Friend the Member for Warley have between them absolutely encapsulated the reason for the change. Had DESO remained with the Ministry of Defence, we would not have seen the sort of concern and outrage that has resulted from what is purely a political gesture. As my hon. Friend the Member for Newbury (Mr. Benyon) said in his excellent opening speech, and as numbers of hon. Members have said since, that gesture is clearly meant to appease those people who object to the Serious Fraud Office having dropped the BAE Systems inquiry.

**Mr. Soames:** My hon. Friend really knows his stuff in this area and was a very distinguished shadow Minister. Is he aware that the head of DESO once told me that the former Prime Minister, the former Member for Sedgefield, was absolutely assiduous in helping the cause of British defence exports throughout his time in office, and was always prepared to help DESO in its overseas work in the greater interests of the United Kingdom's commercial success?

**Dr. Lewis:** I can well believe that. Indeed, given that very commitment by the Prime Minister's predecessor, the whole strategy of the present incumbent in seeking to distance himself from what he no doubt regards as the tainted legacy of his predecessor adds to an understanding of the reasoning behind the decision. One might think that the Government would be rather discomforted by the fact that, so far, only a single Member of the Labour Back Benches has spoken up for their decision, whereas every other speaker—not least my hon. Friend and former boss as shadow Secretary of State for Defence, the hon. Member for Mid-Sussex (Mr. Soames)—has excoriated it. It would be a mistake to think so, however. I am quite sure that every speech that points out the unjustifiable, indefensible and outrageous nature of this decision—both in its own right and in its execution—will enable the Government spin doctors to point to the Government's critics and say, "You see, we have delivered. We have upset and outraged all those people whom you oppose because they believe in a strong defence industry and in strong defence exports."

**David Taylor:** I am most grateful to the hon. Gentleman for spelling out in his own terms the importance of the arms industry. Does he believe that the shock departure of the chief executive of BAE Systems yesterday was linked to the al-Yamamah deal, to which he referred earlier, or might it have been linked to other corruption inquiries in relation to the arms trade that involve BAE in South Africa, Tanzania, Chile and the Czech Republic?

**Dr. Lewis:** I would be astonished if there were such a link, and there is something that I have not quite understood, either from the tenor of the hon. Gentleman's speech or from his interventions. Either he accepts that there is a role for a legitimate arms industry for export from this country, or he does not. He indicates that he does. We must therefore question the entire relevance of his speech—one that sought to minimise the importance of the industry—to the Government's decision to move an efficient Government agency from the Ministry where it is most appropriately sited to a different one, where there is no experience and where effectively the Government will be starting from scratch in the representation of such an important industry.

I am not being party political when I say that it is emblematic of what has occurred that the Liberal Democrat party has not seen fit to send a Back Bencher, let alone a Front-Bench spokesman, to take part in the debate. No party would have been more in the vanguard of opposing the arms trade and calling for changes of this sort than the Liberal Democrats. However, they have got what they want, and they are now involved in their favourite spectator sport—from our point of view—of engaging in another round of leadership elections. Those elections are not due until some time near the end of the year. Are we therefore to expect a merciful release from Liberal Democrat contributions to all our debates between now and the end of the year, or is it simply that they are leaving this debate alone because they know that their objectives have been achieved in relation to arms exports and defence representation?

The point has been made repeatedly about the advertising of the post to head DESO only days before the announcement of DESO's abolition. Yet this is the Government who entered office talking about joined-up Government. What we must remember is that, if the Government are dissatisfied with the uses to which exported arms may be put, it lies in their hands to lay down rules and regulations on countries to which arms are exported. As it is, we are seeing a sort of reversion to old style unilateralism. By emasculating the organisation, the Government are now saying, effectively, "Let's leave it to other countries—countries that have more ethical foreign policies than us, such as France, the USA, China and, of course, such as our old friends the Russians." Vladimir Putin has been pictured shaking hands with President Ahmadinejad of Iran on the front pages of today's newspapers.

I believe that what has happened today is a gesture to certain parts of the old Labour constituency, and our reaction is enabling the Government to say, "You see, our gesture means something because you have upset the forces of darkness." But they are not the forces of darkness, they are the forces that enable £5 billion a

year of revenue to flow into this country's economy and that are rightly regulated by the Government, who decide where arms exports can go. It is a sign that the habits, practices and indulgences of manipulation, spin and devious techniques did not die with the passing of Tony Blair as Prime Minister.

10.31 am

**Mr. Ben Wallace** (Lancaster and Wyre) (Con): I think that it is in order for me to declare that in my previous employment I worked for QinetiQ, which at that stage was the Government defence research authority. Indeed, I therefore have some shareholdings in defence companies, although they are too small to warrant an entry in the register.

**Mr. Gerald Howarth:** Shame.

**Mr. Wallace:** It is a shame, but there we are.

**David Taylor:** Would the hon. Gentleman confirm that QinetiQ was the company that was privatised and sold off in the most dubious fashion, which resulted in substantial profits for some of the key people in the know at the head of the organisation?

**Mr. Wallace:** I totally agree. I opposed the sell-off of QinetiQ, and I do not have any shares now—nor did I have any then—in the company. I do not believe that those massive pay-offs were worth it—no one warrants that. I agree with the hon. Gentleman on that point.

We all call it "arms" today, because it suits the Campaign Against Arms Trade to do so, but the British defence and aerospace industry goes much wider than arms. We do not make Kalashnikovs and all those things that we mainly see on the television. As a north-west MP, I am incredibly conscious of the weight and contribution that the defence industry gives to the UK economy. We make a whole range of things that, in today's environment, mainly have dual uses. That is important.

My hon. Friend the Member for Newbury (Mr. Benyon) correctly pointed out that one of the reasons that we have an arms industry in this country is to spread the cost and to allow our armed forces to afford the best kit available. If we did not share the cost of those procurement cycles, we might not be able to afford them. That means sharing and selling to our allies. No one here says that we should sell weapons systems, or even defence systems, to our enemies or to people with whom we disagree.

The hon. Member for North-West Leicestershire (David Taylor) pointed out that BAE Systems sells more to America than to Britain. Well, that is not a surprise, as America is our biggest ally and also the biggest defence market in the world—shock, horror! People may have views about the Bush regime, but let us remember that it is not a regime—he is an elected President, and one with whom the hon. Gentleman's Government went to war in Iraq. America is a perfectly acceptable ally for us today, in the past and in the future. I am very happy if British companies share their technology with American companies and American armed forces benefit from the protection that our defence industry can give them and vice versa. The Government have just placed an order for Mastiff vehicles to protect British armed forces in Iraq and Afghanistan from mines. That is an American company selling to Britain. I hope that no one objects to that, and nor should they.

The industry also allows us to keep a skills base. When I worked at QinetiQ, it employed 10,000 people across the United Kingdom. It was the biggest grouping of PhDs in Europe, and the biggest research technology organisation in Europe. In this day and age, when we are threatened by Chinese and Indian competition in the realm of technology development, to have an organisation such as QinetiQ, founded in the defence and aerospace industry, is a real asset to the UK. Before we push away what it does because it is founded on defence, we should think what such companies have contributed for our daily use. As I stand in this Chamber, I can see plasma screens, a QinetiQ invention that people daily queue up to buy from Currys or wherever else. The timing clock is a military LED invention. When I get e-mails from all those people in the Campaign Against Arms Trade, I like to remind them that the internet was invented by the Department of Defence in the United States—how nice that they can send e-mails, based on a military system. Perhaps that is why the Minister responsible for postal services is here—so that he can offer an ethical alternative for sending communications.

We should remember that the arms industry—the defence industry—gave us the jet engine and facilitates everything that we do today. People cannot merely say, "If we get rid of our arms trade, that will be fine." Spin-off from the aerospace industry benefits United Kingdom citizens, the taxpayer and the Treasury. I find it totally ironic that the new Prime Minister is at the heart of the decision to abolish the Defence Export Services Organisation—the man who has always played to the chorus of Rosyth. I am an ex-MSP who represents a north-western English constituency, and my father is from Fife—in fact, he grew up in the Prime Minister's town when the Prime Minister was the son of the manse, which anyone from Scotland knows is a far higher class than most people in Scottish society. This is the man who makes capital out of backing Rosyth and lives next to Raytheon in Glenrothes. In he comes, and to give some sop or make some easy decision, he abolishes DESO. I hope that the voters in Fife remember that that is what their Prime Minister has done. They did in the other seat in Dunfermline, which became, rather ironically, a Liberal Democrat gain. The Scots know a good thing when they see it, and I hope that they remember what the Prime Minister has done with DESO.

We should also remember about dual use technology. Yes, we have invented things, but today's threat is not the Soviet Union—it could well be Russia or China in a few decades, but it is not now—but the terrorists on our street. When I was in QinetiQ, I personally worked on projects that are right now keeping us safe from suicide bombers. Most of what we do in defence today is about scanners, sensors and communications. It is not about firing the gun but about trying to anticipate the actions of our threats. As we speak, in this building, some—probably 99.9 per cent.—of the sensors that are being used were developed by the arms industry. Let us call it the arms industry, because we can take these people head on. Those sensors, developed in that industry, keep us safe in aeroplanes and on the streets.

*[Mr. Wallace]*

Smiths Group is an excellent company that is now equipping every single New York tube station with chemical and biological detectors to ensure that the population of New York is protected from weapons of mass destruction used by terrorists. If only our Mayor of London were clever enough to invest in such a system. That is a British invention, and I am proud that we supported it. We did so through DESO, which got those sales for us—something it is extremely good at. In my experience, I would go to an embassy, and DESO would know what it wanted. It would know the market and the customer. Let us remember that DESO was on the side of small business. It was not BAE Systems. Yes, it helped BAE Systems and everything else, but it also helped small companies in my constituency and in that of my hon. Friend the Member for Newbury by giving them the marketing infrastructure and international presence that they would not otherwise have had. Frankly, without that they would have been crushed by the likes of the American, German and French giants. If people are on the side of British defence, they should be on the side of DESO.

My hon. Friend the Member for Mid-Sussex (Mr. Soames) is absolutely right when he talks about the Department of Trade and Industry being a dud—we call it "deter trade international". We used to go to the embassy, but we were lucky if the staff knew anything from their elbows, and when they did sort of know what was going on, their only response was, "Ring up your Business Link in your regional development agency." That is the real game—keeping each other going: the RDAs keep the DTI going, and the DTI keeps the RDAs going. I spoke to a woman on the desk at Southampton—I wonder if she was the same communist who now has got a job in the Treasury—who did not even know where the Czech Republic was when I asked if she could help with a tender in that country.

We should be reversing this decision. It is an horrendous decision for a small, £16 million project. Not much in the Government works extremely well for £16 million, but DESO does. We should all recognise that not a single MOD Minister, nor probably a single DTI Minister—for its short remaining life span—supports this decision. However, the Prime Minister is at the heart of this. He can reverse the decision, and he must.

10.40 am

**Mr. Gerald Howarth** (Aldershot) (Con): I am delighted to respond in this debate on behalf of the Opposition. I congratulate my hon. Friend the Member for Newbury (Mr. Benyon) on securing this very important debate, which will be widely read across the land and where the defence industry is represented. I am proud to be the Member of Parliament representing the headquarters of BAE Systems and QinetiQ—two of Britain's greatest defence companies. I make no apologies.

I am replying to this debate because I am a shadow Defence Minister, and I think that it is a mark of the contempt with which the Prime Minister and the Government hold the defence industry in our country that they have put up today a Minister representing postal services. I have never met him—it is not his fault, and I dare say it is mine—but I have read through his experience, and he seems to have none of the defence industry. It is contemptible that he has been put forward to respond to this debate. The truth is that Defence Ministers are consumed with embarrassment about a decision on which the Secretary of State for Defence was not consulted, let alone his junior Ministers. They have managed to shuffle off the responsibility on to the poor, hapless Minister here today.

As my hon. Friends have explained so graphically, the truth is that this was not planned. In July of this year, an advertisement in *The Sunday Times* invited people to apply for the job of head of the Defence Export Services Organisation. This is how the Government described the appointment:

"This is a vital role supporting defence objectives and contributing to wider national interests. It is a highly significant appointment".

It was so significant that 10 days later the Prime Minister scrapped the whole organisation, so obviously no one new was appointed to run it.

When I asked whether anyone in the industry had been consulted, eventually I received a reply from the Secretary of State for Defence, who said:

"This was a Machinery of Government change and in such circumstances, it is not unusual for announcements to be made quickly and without prior discussion with those outside Government. However, the current and future Chairs"—

which I assume means chairmen—

"of the National Defence Industries Council, Sir John Rose and Mr Mike Turner, were informed by telephone that morning."—[*Official Report*, 17 September 2007; Vol. 463, c. 2173W.]

What contempt! Those captains of British industry, who are working their guts out for their employees and their country and for the defence of the realm, were informed by telephone that morning. Indeed, they were informed only after Alan Garwood had been, at half-past 9 in the morning—and he is only the bloke running the system! It is perfectly clear that there was no consultation.

My hon. Friends have asked for some answers from the Minister, and I have some questions of my own. It is his duty to answer those questions, although I doubt that he will be able to do so. The good news that I can tell my hon. Friends is that, according to the Campaign Against Arms Trade, whose brief was most ably read out by the hon. Member for North-West Leicestershire (David Taylor):

"There will be more about how the campaign was won in the next CAATnews."

We will look forward to receiving information on how that decision came about, probably not from the Minister, but from the Campaign Against Arms Trade. That is highly appropriate, because my hon. Friend the Member for New Forest, East (Dr. Lewis) made it clear that this was a sop to the old left of the Labour party and those who were upset by the calling off of the Serious Fraud Office investigation.

It is clear that some Labour Members have it in for the defence industry, and the hon. Member for North-West Leicestershire demonstrated his complete,

abject lack of understanding of Britain's defence industry and its importance to constituencies across the land. He ought to understand the anger of his party colleague, the right hon. Member for Warley (Mr. Spellar) at his display of such ignorance in front of a man who, of course, was a Defence Minister, was probably instrumental in shaping the strategic defence review in 1998, and continues to make an important contribution to defence matters in our country.

The hon. Member for North-West Leicestershire was inveighing against the cost of DESO. In one year, it costs about £15 million net, but produces returns of £5 billion in sales for our country.

**David Taylor:** Will the hon. Gentleman give way?

**Mr. Howarth:** I am sorry, but I do not want to hear any more from the Campaign Against Arms Trade.

My hon. Friend the Member for Reigate ( Mr. Blunt) pointed out that DESO contains specialist services and expert knowledge, and of course people in uniform, because overseas Administrations are not organised in the same way as the United Kingdom. Many of them want to come to the United Kingdom and speak to military personnel, in a military environment, and talk to military Ministers in the Ministry of Defence. By this break-up, the Government are proposing to remove that special experience. As my hon. Friend the Member for Newbury said, all the able people will be making tracks to the front door, if they have not done so already.

As the right hon. Member for Warley pointed out, Government-to-Government deals will remain the responsibility of the MOD. My hon. Friend said that information had been circulated to some of us from people who are desperately concerned. The Minister does not understand. I assure him that this is no synthetic anger. We are deeply angry about what the Government have done, and so is British industry.

In case the Minister does not know, the answer to the frequently asked question:

"What will happen in future with overseas customers who want to deal with the MOD, not a trade promotion organisation?",

was:

"That is again something that will need to be worked through with the other Government departments concerned. As the Prime Minister's statement makes clear, current and planned arrangements, mainly with the Saudi Government, will continue."

Everybody else will be subject to arrangements yet to be decided.

Interestingly enough, the Campaign Against Arms Trade is also saying that by shifting this into the Department of the Minister here today, the defence industry will be removed from the Ministry of Defence, which will leave it much more subject to policy decisions from the Foreign and Commonwealth Office and the Department for Business, Enterprise and Regulatory Reform. This decision will have a huge adverse impact. It is already having an adverse impact on the way in which defence business is done between the United Kingdom and potential overseas customers. Has the Minister attended the defence systems and equipment international exhibition at docklands? He should do so.

Clearly this is an act of political spite. It is a pay-off to Baroness Vadera, who got a peerage as well. We need to know which officials in the Ministry of Defence and the Treasury are either involved themselves in the Campaign Against Arms Trade or have family members who are involved. We also need to know what resources are going to be put into the new arrangement with UK Trade and Investment. What is the MOD's commitment going to be? I understand that the Minister's Department intends to set up an organisation within the DTI with military officers seconded to it. Is that the case? Have those military officers agreed? Where will they be located? Will they have access back into the MOD? What about small and medium-sized enterprises, which some of my hon. Friends have mentioned? I received an e-mail from a company that I know called Christy Military Flying Training Ltd, which is a DESO charter member. It had to qualify to become a charter member, which gives it instant credibility in the overseas market. It said:

"The removal of that Charter Member status will, at the very least, have an impact on our ability to break into overseas markets".

It also said that

"being a DESO Charter member has been of significant benefit, giving us direct access to sales support overseas and overseas contacts via FCO."

SMEs will be wiped out of the picture. We know from a written answer published today that DESO branches—project offices—throughout the world number about 15. What will happen to them? We need an answer from the Minister.

This is a contemptible, personal decision by the Prime Minister, whose interest in defence does not venture beyond his own constituency, where Rosyth is located.

**Hon. Members:** Or a photo shoot in Iraq.

**Mr. Howarth:** Indeed, my hon. Friends are right.

This decision is a sop to the left and a kick in the teeth for the United Kingdom's most successful manufacturing industry. Some 21 per cent. of defence employment is linked to defence exports, I can tell the hon. Member for North-West Leicestershire. Ultimately, however, the real crime is that the decision is a gift to our competitors. Unless seriously satisfactory alternative arrangements are put in hand, we shall reverse this decision when we return to office, and we shall re-establish DESO.

10.51 am

**The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden):** I congratulate the hon. Member for Newbury (Mr. Benyon) on securing the debate. I appreciate his strong interest in defence issues and his background as a member of the armed forces. We also heard from a former shadow Secretary of State for Defence, the hon. Member for Mid-Sussex (Mr. Soames), and from others with a background in the issue. I assure them that I have full respect, as they would expect, for that experience. If that respect is not returned, that is a judgment not for me, but for Opposition Members.

*[Mr. Pat McFadden]*

The question was asked why a Minister from the Department for Business, Enterprise and Regulatory Reform is speaking in this debate. The answer is that the Prime Minister's decision, which was announced on 25 July, was to transfer some of the Defence Export Service Organisation's responsibilities to UK Trade and Investment, which has two parent Departments, one of which is DBERR, so in the future my Department will have a strong interest in this area.

I shall begin by endorsing the sentiments that have been expressed about the strength of DESO's record, the quality of the people who work there and its success in securing many orders for the defence industry throughout the UK. Hon. Members asked several questions about the transfer, but at root there is one more fundamental question about whether in the transfer we will lose the record, expertise and quality that DESO has stood for over the years, or whether there will be an opportunity to add to it. The Government are of the view that the change does not mean losing that quality or that record but gives us an opportunity to add to it.

One point was made in the debate that I cannot endorse: that somehow UKTI is not a successful body for the UK, that it is not respected throughout the world and that it does not have expertise and value to add to the promotion of exports in general and of defence exports in the future. The question was asked about the announcement itself, and I am afraid that I must agree with the answer that the Opposition spokesperson, the hon. Member for Aldershot (Mr. Howarth), read out a moment ago. As the machinery of government changes, it is not unusual for such changes to be announced in that way, or for the implementation details to be worked out afterwards. It has happened in the past, and it may happen in the future.

**Mr. Benyon:** It is now three months since the decision was taken, and customers want to know whether the Ministry of Defence will retain as part of its remit a responsibility for defence exports.

**Mr. McFadden:** That responsibility passes to UKTI under the proposals. I can confirm to the hon. Gentleman that my colleagues, Lord Jones of Birmingham, Lord Drayson and others are engaged in intense discussions with industry representatives to make a success of the change. There is a shared desire to do so.

**Mr. Wallace:** I understand the Minister's reasoning, but what was wrong with DESO?

**Mr. McFadden:** We do not make the change because we believe DESO is in any sense a failing or a bad organisation but because, despite its record of success and the quality of its people, we believe that value can be added by integrating defence exports efforts with the efforts of UKTI to promote exports throughout the world.

**Dr. Julian Lewis:** The Minister is being very gracious in giving way. He said that it was a machinery of government decision and that such decisions are routinely taken in that way, but are they routinely taken in that way without consulting the principals that the decision affects, as has clearly happened on this occasion?

**Mr. McFadden:** I have given my answer to the machinery of government question. The Prime Minister is responsible for machinery of government decisions, and it is not without precedent for such decisions to be announced and for the implementation details to be worked through afterwards. That is what has happened in this case.

**Dr. Lewis:** Consultation.

**Mr. McFadden:** If hon. Members will bear with me, I should like to make some progress and perhaps provide them with some of the detail that they have asked for during the debate.

The new organisation will be integrated with UKTI. It will deliver services that are responsive to the needs of our overseas customer Governments in a way that coheres with UKTI's strategy. The transfer will establish the new organisation as a UKTI business unit with expertise in defence services and products, but it will be managed and run like other UKTI business units.

The question was asked about what staff will work in the unit. I am happy to tell Members that it will contain a mix of civilian and military staff, and we recognise the point that was made about the importance of serving officers being part of the organisation. I hope that that answer clarifies the situation. We are trying to keep DESO's value and record, and to increase the synergies between the defence industry and the wider manufacturing and service sectors within the UK. Many defence manufacturing companies manufacture more than solely defence goods, and at present they must draw on expertise that is spread widely across Government. That divide need no longer apply, and the same can be said of investment advice.

We recognise that there are specific features that are unique to the defence sector that must be accommodated in the new arrangements. The defence industrial strategy describes the part that defence exports play in ensuring that those sovereign operational capabilities, vital to our defence needs, are maintained within the UK. Defence exports can also play an important role in building bilateral relations with friends and allies throughout the world.

Several questions were asked, and people have read from briefing documents, about decisions that have yet to be taken. I shall be honest with Members: there are decisions that have yet to be taken. The plan is to develop an implementation plan, led by the Cabinet Office, by the end of the year, which will answer many of the questions that have been put today. Work has already begun on the transfer in order to ensure that it is done as seamlessly as possible. In managing its implementation, there is of course an important dialogue to be had with industry, to ensure that we understand the specific requirements and achieve the best possible result from the transfer. We will of course retain strong links with the MOD afterwards. We recognise that that is essential in order to ensure that

the advice and assistance of the armed forces can continue to be used in support of defence products.

Sir Nicholas, I should like to continue, but perhaps time demands that I end there.

**Mr. Gerald Howarth:** On a point of order, Sir Nicholas, given that the Minister has been unable to answer many of the questions put by me and my hon. Friends, will he give us an undertaking that he will write to us?

**Sir Nicholas Winterton (in the Chair):** Time is up, but I am sure that the Minister will give that assurance.

## Export Credits Guarantee Department

11 am

**Mr. Nick Hurd** (Ruislip-Northwood) (Con): It is a pleasure to serve under your chairmanship for the second time in two days, Sir Nicholas. It is becoming a welcome habit.

I am delighted to have the opportunity to spend some time throwing a spotlight on an important institution that has a long track record of supporting British exports and facilitating British trade, but which has been dogged by controversy for most of its history, not least because of its involvement in projects such as the Baku-Tbilisi-Ceyhan pipeline and, most recently, Sakhalin. That institution is the Export Credits Guarantee Department.

The organisation needs to be modernised, and I speak as a member of the Environmental Audit Committee, although I was not a member in 2003, when it published its groundbreaking report calling for changes to the ECGD's remit. I am also a board member of the Conservatives' quality of life policy commission—recently, it, too, called for changes to that remit. My thesis is simple: Britain is a recognised thought leader on climate change. Indeed, the Government take pride in their reputation for leadership on the agenda, and some of that pride is well placed. They have taken a lead in setting targets, pushing climate change up the agenda of international politics and, most recently, submitting to the House a draft Climate Change Bill. However, at this critical time we should seek to demonstrate best practice in our institutions. The ECGD is a particularly important institution, because export credit agencies are an important source of capital and therefore an important driver of change in the business community. Those agencies and the ECGD engage with other countries, so they should therefore reflect the British Government's priorities and values.

The ECGD's importance is made apparent by its own sustainable development action plan, in which it states:

> "The annual total value of capital goods exported with medium to long term finance supported by all the ECAs of the OECD countries usually ranges between £30 billion and £40 billion, with ECGD's share being around £2 billion. Although this level of ECGD support represents only around 2 per cent. of UK exports annually, the exports that are supported often form part of larger projects".

It admits:

> "ECGD's involvement provides an opportunity for it to influence the attitudes of project sponsors, host Governments and the other financial institutions in regard to Sustainable Development issues at the project level."

We therefore expect the ECGD to represent best practice on environmental standards, but the truth is that it pays lip service to them and runs with an unambitious pack. We expect it to support the industries of the low-carbon future, but instead it subsidises a relatively small number of powerful industries that are among the most polluting in the world. Surely, if the Government are serious about matching rhetoric with action, now is the time for them to show more ambition by changing the remit and culture of the ECGD to align it more explicitly with their sustainable development strategy, position it to

*[Mr. Nick Hurd]*

support the clean industries of the future and bring it out of the shadows. That would transform it into a transparent and accountable public institution of which we can be genuinely proud.

I am delighted to make my argument to a Minister with excellent credentials. The hon. Member for Croydon, North (Malcolm Wicks) is a well respected Energy Minister whose commitment to the environment is not in question. Anyone who doubts it should visit the planning department of Croydon council, where they can see the files that bear testimony to his persistence in trying to install a wind turbine on the roof of his house. In fact, his passion for such technology extends to his having recently presented me with my own mini-wind turbine as a wholly undeserved reward. I have no doubt that he is a Minister who has fully aligned himself personally with the Government's rhetoric on climate change and the importance of the environmental agenda.

I should like to break my argument into three parts. First, what should we expect of the ECDG? Some voices say, "Don't muck around with it. It is working—don't muck around with the core focus." I suggest to the Minister that that is not good enough in 2007 in the face of climate change and the growing recognition of the wider damage that we are doing to the natural resources on which our prosperity and well-being ultimately depend. Leading politicians attach huge priority to climate change as the greatest threat to our long-term well-being, and we know that the response will require huge change and a transformation of our energy and transport infrastructure. In the short term, we face a major challenge in stabilising our emissions, let alone reducing them. You will be aware, Sir Nicholas, that we have an unfortunate track record over the past 10 years, as our domestic emissions have risen, not fallen. The past 10 years have taught us that tackling the problem is hard, but there is growing consensus about the role of Government. They should correct the market's failure to put a value on carbon, set the clearest possible framework for the market and lead by example.

There is also growing consensus about the need to reinforce the principle that the polluter should pay. A key audience for that message is business, which is a key agent of change, not least because of its ability to drive change through the supply chain. Sometimes business responds to Government through regulation, and sometimes it responds to employees. It certainly responds to customers and to sources of capital. Export credit agencies are a major source of capital. The Environmental Audit Committee pointed out that they are

"collectively the largest source of public finance for private sector projects"

and

"powerful, influential players in the field of international business. They underwrite ten per cent. of exports from large industrialised countries".

They are funded by the taxpayer and are accountable to Government. Given the priority attached to climate change, and the Government's pride in their leadership, an external observer would expect such an important organisation as the ECGD to be a shining example of best practice, standing shoulder to shoulder with the Government's policy priorities. It is not.

In theory, the ECGD reports to a Government Department but in fact it stands apart and does its own thing. It derives its powers from the Export and Investment Guarantees Act 1991, which has not been materially adjusted for 16 years. It is an institution in decline, given the volume of business that it underwrites. Its core business is the subsidisation of a relatively small number of powerful industries—defence infrastructure, aerospace, oil and gas—that are characterised by their negative impact on the environment. Meanwhile, its participation in the financing of new industries is negligible, at 2 per cent. of the current fund, despite the commitments made by the British Government at Johannesburg in 2002 and, more recently, at Gleneagles. Instead of being at the forefront of promoting corporate responsibility, it pays lip service to what is explicitly described in its sustainable development report as a secondary duty to operate in accordance with other Government objectives,

"including those on sustainable development...human rights, good governance and trade."

Since 2000, the ECGD has been required to produce a statement of business principles, and I acknowledge the Government's role in that important initiative. The ECGD's business principles state:

"We will promote a responsible approach to business and will ensure our activities take into account the Government's international policies, including those on sustainable development".

No reference to climate change is made in any of the ECGD's strategies, risk assessments or investment decisions. The business principles are assessed by case impact analyses, which are designed to provide an assurance that the ECGD's activities are consistent, but such analyses are not required for its aerospace or defence business, which is subject to other codes with environmental standards of questionable stringency. Even in cases in which the analyses are applicable, impacts are assessed by comparing them with the relevant international standards, for which the benchmark is World Bank standards which, historically, are not very demanding. A process is under way to find a common, more demanding standard, but I do not get the impression that there is much political momentum behind it. I should be interested to hear the Minister's view and to receive an update.

It would not matter if the standards were the most exacting in the world, because it is quite clear to anyone who does business with the ECGD that it considers environmental and social assessment procedures to be discretionary. Standards apply, but only when it sees fit. It is therefore not surprising that it is extremely reluctant to disclose its analyses, obstructing attempts to obtain them through freedom of information requests. It is not surprising, either, that it has never rejected a project on environmental or social grounds, or that it is embroiled in legal cases with non-governmental organisations such as WWF that find its attitudes utterly frustrating in the new political environment.

Does all that matter? Of course it does, for at least three reasons. First, because at a time when British taxpayers are being told about the changes that they have to make to reduce their carbon footprint, their money is being spent on subsidising the development

of projects with high carbon impacts for which the sponsors are not accountable. Secondly, our poverty of ambition has resulted in a missed opportunity to show a lead to other export credit agencies, and, thirdly, the impact of emissions can be linked both directly and indirectly to ECGD activity. In aviation, for example, in the past five years, the ECGD has provided £3.3 billion of finance for the supply of 294 aircraft, which is equivalent to British Airways' entire fleet being added to the global airline industry every five years with Government support. The ECGD should act as a gadfly to the industry, encouraging it to move further and faster to improve the energy efficiency of those aircraft, but it is not at all clear that it has done so. The Sakhalin project is another example: WWF estimates that the 1.6 billion tonnes of carbon dioxide emissions from the lifetime oil and gas production of that one development are equivalent to just three years of UK national emissions.

That is not good enough. At an absolutely critical time, a key British institution that the Government ought to be able to control is sending the wrong signals to the market. The Government should point the ECGD in a different direction. First, they should change its remit. The 1991 Act should be amended to make it clearer that the Secretary of State and the ECGD must have more explicit regard to climate change and other key policy requirements. Secondly, the Government should change the culture of the organisation to make it more transparent. We should know about direct and indirect emissions resulting from investments facilitated by public money; the ECGD should be required to disclose them and bring its aerospace activities under the scope of the environmental and social assessment, including climate change. Thirdly, they should bring the ECGD into the collective Government effort to control greenhouse gas emissions in this country. They should have targets to reduce contributions to those emissions.

Lastly, and more controversially, the ECGD should lead a shift towards low-carbon finance as part of a Government-led initiative to phase out subsidies to fossil fuel industries. By taking a lead on that issue, the British Government would reinforce leadership on climate change and go with the grain of developments elsewhere. The Minister may be aware that the "End Oil Aid" Bill was introduced in the United States in April 2007 to end subsidies for oil companies' international operations. Calculations by the World Bank and the Organisation for Economic Co-operation and Development show that global subsidy removal could reduce $CO_2$ emissions by about 10 per cent. worldwide. The EU sustainable development strategy requires a 2008 road map to phase out subsidies that are harmful to the environment. The message is that the polluter should pay, not be paid.

There are concerns about competitiveness, and the Minister might make that argument. I urge him, however, to consider the example set by the Canadian equivalent of the ECGD, which follows best practice by disclosing the environmental standard used to assess projects, and allows appeals against decisions, unlike the ECGD. Unlike its British equivalent, its business is not in decline. Indeed, last year it reported record numbers and business grew by 15 per cent. The message is that the world is changing and it is time for the ECGD to change with it.

I shall close with some questions for the Minister. Does he believe that the ECGD is playing its full part in the Government's battle to reduce greenhouse gas emissions? Is he satisfied that it is operating with satisfactory levels of transparency and accountability to the public? Does he believe that it offers the taxpayer value for money? Would he support an investigation by the National Audit Office into whether it offers best value? Does he believe that a publicly funded body should continue to subsidise the fossil fuel industry, particularly in emerging markets where the priority should be to help develop clean energy? Does he think that the ECGD should retain its current focus and prioritisation or does he accept the need for change?

11.15 am

**The Minister for Energy (Malcolm Wicks):** May I, too, say what a pleasure it is to have you in the Chair, Sir Nicholas, although it is my first time in two days, unlike the hon. Member for Ruislip-Northwood (Mr. Hurd)? He is clearly more experienced here in Westminster Hall.

I congratulate the hon. Gentleman on the thoughtful way in which he presented his argument. I want to reflect on one or two things that he said, but let me give some background. As the UK's official export credit agency, ECGD's current statutory objective is to help to facilitate exports. Its aim, which is set out in its mission statement, is to benefit the UK economy by helping exporters of UK goods and services to win business and by helping UK firms to invest overseas by providing guarantees, insurance and reinsurance against loss, taking into account the Government's wider international policies. In a sense, that balance is what we are discussing today.

In line with my last point about our wider policies, in 2000, ECGD adopted a set of business principles that help to ensure that it operates in a way that takes account of wider Government policies on sustainable development, debt sustainability, environmental and social impacts, human rights, transparency and combating bribery and corruption. So, we operate within a framework of social and ethical principles.

ECGD undertakes detailed environmental and social impact assessments, including on greenhouse gas emissions, for all the infrastructure projects that it is asked to support. Those assessments are done by its business principles unit—a team of environmental specialists who also help it to establish its policies and practices. Broadly, it requires projects to meet the higher of World Bank or local standards on environmental, social and human rights impacts. That is the benchmark by which it judges the acceptability of projects that it is asked to support.

ECGD has implemented a case impact assessment process, which is publicly available on its website, by which the impacts of projects are assessed and graded so that the projects that it supports are compatible with its business principles. Projects are graded as having high, medium or low potential environmental and social impacts. With high-impact projects, it expects the project sponsors to make environmental impact information, such as an environmental impact assessment or summary, publicly available at an appropriate stage in the development of the project. As part of its continuing

*[Malcolm Wicks]*

commitment to greater transparency, ECGD now publishes a list of projects with potentially high impacts for which its support has been requested, which allows interested parties to make comments. For those projects to which it gives support, compliance with environmental and social standards is monitored during the construction and operational phases of projects.

So much for infrastructure projects; what about ECGD's other business? Its business is reactive, as it is there to support projects on demand. As the hon. Gentleman has noted, the main demand for its support currently comes from the civil aerospace sector, defence exporters and heavy capital equipment manufacturers. While he was speaking, I was reflecting on whether it would be appropriate, as I think he was arguing, for us to allow certain goods, such as aeroplanes, to be used here in this country, but have a rather more restrictive policy on export credits. There is a real dilemma there, and I am not quite sure where he would go on that. Are we really saying that the ECGD should not support the export overseas of something that is acceptable in the United Kingdom?

I just add that following the world summit in Johannesburg, which the hon. Gentleman mentioned, the ECGD set up a £50 million line of credit for exports of renewable energy technology. That is the good news. However, there have been no applications to the fund in six years. Notwithstanding the ECGD's reactive role, after this debate I shall ask more questions about why there have been no applications to that £50 million fund for renewable technology.

The ECGD provides some £2 billion of support for new business each year. Some 40 per cent. of that is for the aerospace sector, particularly Airbus aircraft. Leaving aside the potential inaccuracy of an ECGD estimation of an aircraft's emissions over the course of a working life that may cover different routes, no recognised reporting mechanism makes export credit agencies responsible for reporting emissions resulting from the products of the projects that they support. That responsibility lies with direct investors and managers. Banks have adopted policies in line with that, as they are direct investors, but the ECGD is not. It takes account of the European Union and North American aircraft certification system to determine the acceptability of the emissions from individual types of aircraft and aero-engines. At present, export credit agencies support only new aircraft, often enabling airlines to retire old aircraft and reduce emissions. That is an important aspect of the work.

It is not UK Government policy simply not to support industries that contribute to climate change. It is our policy to require industry to adopt best practice, modern technology and high standards across a range of environmental impacts. The ECGD is in line with that policy. Indeed, it requires applicants for support to state whether their product meets UK standards.

I am aware of the interest in the large integrated oil and gas project being developed at Sakhalin island in Russia, to which the hon. Gentleman referred. There has been controversy about the project's environmental and social impact. Alongside Japanese and US export credit agencies and commercial banks, the ECGD has been asked to support the provision of export credits of $650 million. WWF-UK recently launched legal proceedings to seek a judicial review of a decision that it claims has already been made by the ECGD to support the project. The Government's position is that no decision has yet been taken on whether the agency will support it. A decision is unlikely to be made until the new year, and it would be wrong for me to speculate about it now, but I can give an assurance that it will be based on whether the project meets the ECGD's publicly stated environmental and social impact policies, consistent with its business principles.

May I also say, as it is part of this ethical debate, that the ECGD's business principles require that it take reasonable precautions to avoid financial loss from supporting businesses tainted by bribery and corruption. Following an extensive public consultation, the agency introduced new strengthened bribery and corruption procedures on 1 July 2006. They require greater transparency on the part of exporters, including providing the ECGD with the name of any agents involved and giving it new audit rights to check compliance.

The UK has played a major role in supporting the multilateral debt relief initiative. The Government have played their part in assisting the world's poorest countries to address their debt problems as part of their commitment to poverty reduction as the overarching objective of the UK's aid and development policy. The ECGD is playing a full role in that.

In order not to recreate the debt problems of the past, the ECGD's business principles require that it take account of debt sustainability when it supports projects to countries that are vulnerable to debt problems. It has adopted productive expenditure policies so that its support to such markets is made available only for projects that will provide economic benefit to the country concerned and not undermine debt sustainability; for example, import substitution projects that earn foreign exchange.

Many of the agency's policies and practices are informed by international agreements through the Organisation for Economic Co-operation and Development, which is the primary body for the international regulation of officially supported export credit, and through the EU. For example, several international agreements set minimum standards in areas such as credit terms and premium rates. They help to ensure that export credit agencies all work to common terms, so that competition is between exporters and not their Governments. The context is that export credit agencies are big players in financing international trade. In 2005, agencies from the OECD countries financed projects worth more than $45 billion.

The ECGD has been an international leader in improving discipline in the provision of export credits. More recently, its efforts have helped to achieve OECD agreements to combat bribery, to apply common approaches on environmental issues and to adopt certain principles on the provision of export credit support to very poor countries that are vulnerable to debt problems.

**Mr. Hurd:** I have been following the Minister's argument with interest, but he is moving on from the thrust of my argument. I know that I can speak frankly

to him. He is a highly intelligent Minister, capable of delivering his own personal view on a subject. He is reading out a fairly explicit brief from the Department, but may I ask for his personal view? Does he accept that there is an argument for a change to the ECGD's remit in respect of striking a balance between the need to promote trade and the need to protect the environment, or is the message from the Department that the status quo is entirely adequate?

**Malcolm Wicks:** What I have been doing, albeit with a little help from my friends in the Department—we work closely together—is to demonstrate to the hon. Gentleman that there is an ethical framework. We take account of environmental considerations and social impacts, and we work internationally with other export credit agencies to ensure that purpose. If he is asking whether we might be doing more to ensure that we can align our sustainability and climate change objectives with our export credit objectives, perhaps we can, and I shall certainly consider that. The hon. Gentleman presented a bleak picture of what the agency is doing, but I do not accept it. His view was not as balanced as the one that I would usually expect from him.

Given that much export credit is now given by countries outside the OECD, and that that can bring difficulties in the future, we are doing our best to work with such countries to ensure that there will be common standards. An objective of the OECD is to reach out to the export credit agencies of non-OECD countries to ensure that they play by the same rules as the agencies of OECD countries. In that context, it is reassuring that Brazil recently agreed to sign up to the OECD's aircraft sector understanding which governs export credit agency support for aircraft sales, and that several non-OECD countries, including China, have attended OECD meetings on export credits as observers.

The hon. Gentleman would expect me to put the debate in the wider context of what the Government are doing about climate change. He paid tribute to the Government for being a world leader on climate change issues. It is important to put matters in context. We are all concerned about emissions from aircraft and from aviation. It is one of the reasons why we want aviation to be brought into the reform and future of the EU emissions trading scheme.

Also, because of our commitment, we have recently announced two major projects. A Severn barrage would have a major impact on producing more renewable energy in the future, and on cutting emissions. We are interested in the major feasibility study on it. The hon. Gentleman will also have noted the recent announcement about a carbon capture and storage project. We want a major UK demonstration of that important technology.

I promise to reflect on what the hon. Gentleman has put to us thoughtfully and with much intellectual rigour this morning. I have set out the Government's position, but nothing is set in stone. We will look to the future together.

**Sir Nicholas Winterton (in the Chair):** I am sure that the hon. Member for Ruislip-Northwood (Mr. Hurd) thanks the Minister for his reply.

11.29 am

*Sitting suspended until half-past Two o'clock.*

# Road Safety

2.30 pm

**Mr. Russell Brown** (Dumfries and Galloway) (Lab): Last week, a national newspaper carried an article entitled "Why are our young people killing each other?" The story referred to the violent murder of a young boy who was simply minding his own business. His murder brought the number of young people's deaths from gun or knife crime in the UK to 51. Only the families and friends of those young victims know the pain and hurt of losing a loved one in such violent circumstances. I hope that we all recognise how precious life is but, regrettably, it is of little significance to some others. I do not wish in any way to demean the memory of those 51 individuals, because they are as precious to their loved ones as all those who daily lose their lives on our roads are to their loved ones.

The startling statistics for road deaths show that while individual drivers do not go out with the intention of having a road traffic accident that could result in a fatality, the way in which some people drive on our roads, especially some young drivers, means that young people are killing one another on our roads. Let me make it clear that the vast majority of drivers of all ages on our roads are good drivers. However, among the 3,200 lives lost and 30,000 injuries resulting from road traffic accidents there is a disproportionate number of deaths and serious injuries in the 17 to 25 age group. Male drivers in that group are over-represented in the crash statistics. Under-25s account for one in eight licence holders, yet one in three drivers who die on our roads are in that age group.

Some people argue that the word "accident" should not be used, as it implies that there is something inevitable about such collisions. They believe that they are almost entirely avoidable with appropriate training and testing, the correct attitude, a licensing regime that supports an extended learning period for new drivers, and appropriate sanctions on those who transgress. Single vehicle crashes involving novice drivers occur most often at night between 10 pm and 6 am, and mainly involve speeding with other teenagers present in the vehicle. There is substantial evidence that when teenage passengers are present with young drivers the risk of a crash increases significantly.

I imagine that almost everyone in the Chamber possesses a driving licence. Even with many of the smaller engine vehicles constructed today, it is easy to exceed the maximum speed limit on our roads. How many of us can honestly say that we have never found ourselves inadvertently exceeding the speed limit on an open road when the weather and road conditions were good? It is easy for the speed to creep up without the driver realising, and that is even more so on a long journey. Passing the driving test in 2007 provides nothing more than a certificate allowing the holder to drive safely on their own, and it is worrying that the majority of those who pass are deemed not to be the finished product or a finished driver. Learning to drive is really about preparing for that one day when the test is taken in the hope of passing it.

Only yesterday evening, I spoke to a constituent who hopes to become a qualified driving instructor. He informed me that it is possible for someone to sit the theory driving test on their 17th birthday, and within two months take and pass their driving test. Thereafter, that person can go out and drive any car with any size of engine. Drivers who have just passed their driving test are informed about the opportunity to develop their skills through the Pass Plus scheme, but only about one in eight takes that opportunity. I have explained how easy it is in today's modern vehicles to drive at excessive speeds, and while it has been shown that speed is all too often a contributory factor in many crashes, accidents often happen because the driver cannot handle or control the vehicle.

I want to thank my local police force, Dumfries and Galloway constabulary, particularly Inspector Gordon McKnight, for providing me with some local statistics for this debate. During the three-year period from January 2004 to December 2006, 61.5 per cent. of all casualties were male, and further analysis reveals that in the under-45 age group, the average number of male casualties remained at 65 per cent. The under-16 category accounts for 11 per cent. of all casualties; the 16 to 20 age group accounts for just over 18 per cent.; and the 21 to 25 age bracket for 11.1 per cent. Overall, the 30 and under age group accounts for 47.5 per cent. of all casualties, and as one in three casualties fall into the 16 to 25 age bracket, Dumfries and Galloway constabulary decided to target that age group through education and, when necessary, enforcement.

How do we attempt to get the message about the dangers on our roads across to young drivers? In Dumfries and Galloway—and these statistics are linked to those for Cumbria—we have witnessed the death of 44 young people between the ages of 16 and 25 over the past three years. Today's method of communicating with the younger generation is changing rapidly, and I congratulate the Highways Agency on its attempt to get that safety message across by backing the innovative cross-border campaign to try to cut death and injuries among young road users in Cumbria and Scotland. Financial resources from the agency will fund a project that uses YouTube videos and texts to get key road safety messages across to young drivers. Between now and Christmas, there will be three 20-second ads on YouTube. They may be beyond you and me, Sir Nicholas, and other hon. Members—they certainly are for me—but the younger generation often uses YouTube.

The inquiry by the Select Committee on Transport into novice drivers was published in July. I tried to hold this debate in the run-up to the recess, and it is ironic that I should have secured it on the day on which the Government's response to the Committee's report was released. However, I regret that I have not had time to study the response in fine detail. I have explained how easy it is for some people to pass their driving test within a few months of turning 17, and we must ask whether it is wise for people to take the test at that age. I am sure that we have all said that we do not start to learn to drive until we are out on the road on our own, after we have passed our driving test. That may be true, but if we cast aside everything that we learned when we received professional tuition, we will develop bad habits and, more worryingly, drive dangerously and all too often be oblivious to other road users and pedestrians. I fully agree that we need to foster a culture that values continuing driver education.

Rushing to take a driving test and having too few lessons may be a false economy, especially if people end up failing the test and retaking it.

I should like to highlight some of the issues arising from the Transport Committee report that are worthy of further mention. Again, I emphasise that the vast majority of young or newly qualified drivers are responsible, but if we look at the problems that we face and at the number of road fatalities we see, as with so many other issues, that we must concentrate our efforts and focus on the few who cause problems. Young drivers are vulnerable on our roads and, regrettably, a small number are a danger to themselves, their passengers and other road users. Such unsafe driving arises from an almost total disregard for road traffic laws—speed limits are sometimes ignored even in built-up areas, where there are many more dangers and thus higher casualties if there were a crash.

The casualties that we see year on year must be reduced, and a starting point is a structured approach to driving instruction. I welcome any attempts to ensure that ongoing professional development for driving instructors is more fully considered. Further professional enhancement can only be good for those under instruction. The low uptake of Pass Plus—a scheme for people who have been successful in their practical tests—is disappointing. I pay tribute to the group of advanced motorists and motorcyclists in Dumfries and Galloway who do an excellent job of encouraging young motorcyclists and motorists to learn the skills that they need on the road, and deserve great credit for the work they do with new drivers. The Pass Plus uptake is disappointing, because the scheme benefits those who take up the additional challenge it offers. We cannot force individuals to take it up, but its success and what it offers to new drivers ought to be included in the instruction that people receive before they take a practical test. I hope that that proposal will be considered.

May I return to the issue of how quickly young drivers can find themselves on the road on their own in a powerful vehicle, having passed both the theory and practical tests? Some people advocate increasing the age at which it is possible to hold a provisional driving licence above 17, but it would make more sense to ensure that people have a minimum learning period of about a year. I have been contacted in recent days by the insurance company, esure, which believes that the number of road traffic accidents caused by, and involving, young drivers would be reduced if pre-driver education were rolled out nationally with Government endorsement and support. In 2005, esure ran the safe drive, stay alive road safety campaign in Surrey, which was co-ordinated by the Surrey fire and rescue service and involved a number of local organisations. Although I am not in a position to judge the campaign's success, the sooner we can get young people involved in the safety aspects of driving, and make them understand the dangers of driving, the better.

Finally, graduated licences have proved relatively successful in other countries and in some parts of the United States. Some people argue that introducing graduated licences would be like using a sledgehammer to crack a nut. As I have said several times, the vast majority of young drivers are responsible and considerate to other road users, and are safe drivers. However, consideration ought to be given to the question of limiting the engine size in cars driven by new drivers; reducing the speed limit to 50 mph; and introducing driving restrictions such as limiting the number of passengers during certain hours of the evening and night—some of the worst tragedies on our roads have involved four or five youngsters in a car driven by someone who has recently passed their test.

I hope that the Minister will give careful consideration to my arguments and those that we are about to hear from other hon. Members. We have a duty to reduce the carnage on our roads. Over the years, I have spoken with a number of people who have been faced with that fateful knock on the door and police officers standing before them to break the bad news. It has been a haunting experience for those individuals and their families. Let us move forward in the coming years and ensure that there is a rapid reduction in such visits to people's homes.

2.45 pm

**Mr. Christopher Fraser** (South-West Norfolk) (Con): May I first congratulate the hon. Member for Dumfries and Galloway (Mr. Brown) on the timeliness of the debate? The issue is serious and affects many people around the country in all constituencies. For too long, modern-day young people have found the use of a motor car to be far more accessible than perhaps we did when we were younger. Consideration must be given to car use and the dangers it might cause.

The rural roads in south-west Norfolk in my constituency are long and winding and they are far too often the scene of tragic road accidents in which, on occasion, innocent passers-by are involved and killed.

I shall speak briefly as I wish to make a few specific points to the Minister that I hope he will take on board—I know him well and he has dealt with me courteously in the past. Does he agree that the current legislation might encourage young drivers, particularly those under the influence of drink or drugs, to flee the scene of road traffic accidents? Motorists who kill on the road while driving under the influence of alcohol or drugs face a maximum penalty of 14 years in prison. Failing to stop at the scene carries a maximum sentence of only six months, which effectively encourages those over the legal limit to leave the scene and to leave their victims injured or dying on the road.

I believe that such drivers hope that by the time the police catch up with them, they will have sobered up sufficiently to pass any tests. Does the Minister agree that due consideration ought to be given to reforming the current guidelines and to remove what is an unnecessary incentive to young drivers? That would send a message to every young person who passes their test that they have full responsibility and that the rule of law will come down on them extremely heavily at every opportunity, because we must not fail to remember the victims of accidents and those who must live with the death of a family member for the rest of their lives.

2.47 pm

**Mark Lazarowicz** (Edinburgh, North and Leith) (Lab/Co-op): I, too, congratulate my hon. Friend the Member for Dumfries and Galloway (Mr. Brown) on

*[Mark Lazarowicz]*

securing this debate. It is allowing us to highlight the pressing need for urgent action to tackle the toll of death and injury of young people on our roads.

Of course, any death or injury on our roads is a tragedy for the individuals involved, their families and the wider community, but the loss of a young person's life is particularly tragic because it means that their potential is destroyed. It is sadly true that young drivers and passengers are so much more likely to be involved in a serious incident or accident on our roads. My hon. Friend gave us some of the statistics, but the fact that the death rate of young drivers—under-25s—is more than double that of the general driving population particularly highlights the situation for me. One more statistic that underlines my point is that the peak age group for passenger fatalities is 16 to 19. So many lives are taken at an early age in such tragic circumstances.

The figures for Great Britain are seen at both national and regional level. In Scotland in the first half of this year, the number of under-25s killed on the roads was up by 30 per cent. compared with the same period last year and compared with a 10 per cent. increase in road deaths in the first half of this year for the general driving population. Of course, that is a very worrying trend for the general population as well as for young drivers, given the long-term trend of road deaths and injuries going down in the UK over more than 30 years, but it emphasises how young drivers and passengers are over-represented in the number of deaths and serious injuries on our roads.

Having taken an interest in this subject ever since I was elected as an MP, I have studied the way in which the Government have taken measures over a number of years to try to tackle the situation. I certainly recognise that they have done a lot, but we always need to do more because, ultimately, any death on our roads is a tragedy and a death toll of more than 3,000 every year, with young drivers and passengers particularly highly represented in that toll, is just not acceptable. We must always try to do more to bring down the figure for deaths and injuries.

I endorse the suggestions made by my hon. Friend the Member for Dumfries and Galloway and outside organisations and I urge the Government to introduce new measures and initiatives to try to cut the death and injury rates on our roads for all drivers and road users, but for young drivers in particular. The Government have certainly been given many suggestions of what to do, as my hon. Friend the Minister knows. Organisations such as Brake—the road safety charity—other road safety bodies, the Select Committee on Transport and many others have made recommendations. I have recognised what the Government have done, but they still need to move more urgently to take up some of the suggestions that have been made, which have been around now for a considerable time.

It always depresses me that it takes so much lobbying, campaigning and pressure to get changes in road safety law or in road safety measures and to get introduced measures that on the face of it are obvious steps to cut death and injury on the roads. Why that is the case, I do not know. Perhaps there are bureaucratic problems somewhere in the system. Perhaps someone somewhere is always nervous of offending motorists. If that is the case, I hope that the Government will recognise that all motorists and road users will be safer if something is done about the minority of young drivers who drive in such a way that they are a menace not only to themselves and their passengers, but to the general road user. I certainly endorse, therefore, the calls made by my hon. Friend the Member for Dumfries and Galloway for some of the measures that he has outlined to be considered.

I want to emphasise the measures that I believe should be considered urgently. First, we need to provide more education in schools and among our young people. The Driving Standards Agency has done and is doing good work. It has a programme to give road safety presentations to teenagers in schools and colleges, but at the moment that is still reaching less than 1 per cent. of 15 to 25-year-olds in the UK, which is clearly not enough. There are advertising campaigns but, again, the proportion of the budget specifically targeting young drivers last year was under £400,000, which may buy some time on YouTube, but buys only about seven minutes of prime-time TV advertising, so more needs to be done in that regard.

I am very interested in the proposals for a graduated licensing scheme, to which my hon. Friend referred. Such schemes have been implemented in New Zealand, the USA and Canada, and there is certainly a growing body of support for the introduction of such a scheme in the UK. My hon. Friend referred to Transport Committee recommendations for a graduated driving licence scheme. He and the Minister will be aware that just a few weeks ago a broad-ranging coalition of interest groups, including the Association of British Insurers, the RAC Foundation, PACTS—the Parliamentary Advisory Council for Transport Safety—and road safety groups, made proposals for a scheme to require young drivers to have a minimum learning period and a structured learning programme to encourage less driving at night, and measures to reduce the number of passengers carried by young drivers. I agree with my hon. Friend the Member for Dumfries and Galloway that the current situation, in which someone can have only eight, nine or 10 hours of lessons and, the day after their 17th birthday, drive almost but not quite any vehicle will clearly not encourage, in some circumstances, safe driving by some individuals.

Continued action is also needed on uninsured and unlicensed drivers, because unfortunately the reality is that many uninsured and unlicensed drivers who kill themselves, their passengers or other road users are also young drivers. Measures are needed to take further action to deal with those drivers. I would be interested if the Minister could update me on the implementation of the offence of causing death while driving unlicensed or uninsured.

The next question that always has to be addressed is what we do to tackle those who drive under the influence of drink and drugs. It is a reality, even leaving aside the influence of drink and drugs, that young drivers are more likely to seek thrills from driving fast and cornering at high speed than older drivers. That is not true of all young drivers by any means or even the majority of young drivers, but there is well founded

research carried out for the Department for Transport emphasising that it is a problem in the case of some young drivers.

Unfortunately, young drivers aged 17 to 19 are six times as likely to have a drink-drive crash, and young drivers aged 20 to 24 are four times as likely to have a drink-drive crash, as drivers in the general driving population. Unfortunately also, young drivers under 25 who are involved in a crash in which someone is killed or injured are twice as likely to fail a breath test as drivers in the general driving population. Only 4 per cent. fail a breath test, so 96 per cent. do not, but it is still twice as many as in the general driving population.

That is another reason why, as part of the effort to tackle death and serious injury among young drivers, we must return to the question of a reduction in the drink-drive limit. Clearly, that would be for all drivers and would be of benefit generally in reducing death and injury rates on the roads, but because of the significance that it would have for young drivers, it would surely reduce the death and injury rate among young drivers in particular.

Brake, the road safety organisation, is calling in its latest statements for a reduction in the limit from 80 mg per 100 ml to 20 mg. If the Government think that that is too drastic, I would say that the case for reduction to the general rate throughout most of Europe of 50 mg per 100 ml is now overwhelming.

This year, road safety week runs from 5 to 11 November. Coincidentally, or perhaps deliberately, Brake is launching new research on the morning of 6 November, just before the Queen's Speech. The Minister is one of the speakers at the press launch. It would be a major step forward if the Government could make cutting the death toll among young drivers and passengers in particular a major theme of their programme this year. I am sure that those who are responsible for advising Her Majesty on the contents of her speech are already well advanced in the writing of that important announcement, but I hope that what I have described will be reflected at some stage in the Government's programme in the coming year, because, to conclude where I started, the death toll of more than 3,000 people on our roads every year, a disproportionately large number of whom are young drivers and young passengers, is unacceptable.

Much has been done, but much more needs to be done, and I hope that the Government will give serious and favourable consideration to the measures that I propose and that have been proposed by my hon. Friend the Member for Dumfries and Galloway and by the various organisations, campaign groups and pressure groups that seek to address what is a scandal for our society.

2.59 pm

**Mr. Dai Davies** (Blaenau Gwent) (Ind): I add my congratulations to the hon. Member for Dumfries and Galloway (Mr. Brown). The debate is long overdue, and to bring it to the table on the day of the Government's response to the Transport Committee is very apt. I also add my thanks to Brake. We have had tragedy in our constituency over the past couple of months, and it has been a source of comfort in some respects to know that there is a group out there fighting for the health and safety of young drivers.

We have had two significant incidents in my constituency in the past six months. The first killed four young girls under 16, who were passengers. The driver, who was 17, had passed his test only three days before. If that does not bring home how serious the driving test and driving ability are, nothing will. Within months of that, a 15-year-old passenger was killed. The driver, again, was only 17. Age is a significant factor, although I understand that driving is a necessity in this day and age.

The important thing is education, which has been mentioned a number of times—education in accident statistics, how to drive and what can happen. At the end of the day, a car is a deadly weapon; it can cause huge damage to those inside and out. That should be part of the citizenship agenda in schools. At 14 or 15, young people look forward to driving lessons and learning to drive, and it should be part of the curriculum.

My other worry concerns intensive driving courses—in which someone can supposedly learn to drive in a fortnight, three weeks or even days in some cases—especially at an age when the individual's maturity must be questioned. Intensive courses can be very dangerous.

Although I have not read it completely, it is interesting to note from the Government's response that although the number of accidents and serious injuries has fallen, the number of deaths has risen since 2000. That must be of concern to us.

I do not wish to throw a hospital pass at parents, because we as a society are quick enough to blame them, but there is a parental responsibility involved in driving. When people under 18—or 20, or 21—apply for a driving licence, perhaps we should consider showing the parents themselves what can happen to young people in road accidents. It was wondered earlier whether we would have had the kind of cars that are on the road today, and I often wonder how young people of 17 and 18 can afford to drive some of those cars—we heard about engine sizes—with such significant power under their foot. I wonder also whether parents should think twice about what type of car they buy for their children. An educational programme on that would be worth while.

The tragedy that hits a constituency after such an accident—I know that it has happened in probably every constituency in the country at one time or another—cannot be underestimated. The effect of losing four lives, as we did in my constituency, is unbelievable, but still we see young people speeding in the streets. Having seen the press coverage at the time, we still see speeding vehicles driven by young people. It worries me, and that is why I think that education before young people learn to drive is important.

The other thing with which we are struggling in my area is the implementation of speeding fines. We do not have enough hand-held speed cameras to catch young people and others who speed or drive erratically in our streets. I am sure that we have all seen it in main streets, not just bystreets or side streets. It is very dangerous, not just for drivers but for passers-by and passengers.

I thank you, Sir Nicholas, for the opportunity to express the feelings of Blaenau Gwent today. It is a subject that we need to discuss thoroughly. Some issues

*[Mr. Dai Davies]*

have come out of the Select Committee that we might discuss seriously, one of which is an age limit of 18. Initially, I supported it fully, but then I had phone calls from young people saying, "How will I get to work?" or "How will I get to college?" It is not as easy as saying, "Put the age up to 18;" there are lots of other issues to be discussed, but I urge the Government, as have other hon. Members here today, to take preventive and not remedial action.

**Sir Nicholas Winterton (in the Chair):** I call Mr. Andrew Turner. May I say before he starts that we are delighted to see him back in the House after his ill health?

3.4 pm

**Mr. Andrew Turner** (Isle of Wight) (Con): I am concerned about a threat to the island. It affects those who learn to drive on motorcycles. The test centre will be closed and motorcycle tests will instead be provided on the mainland—not even close to ferries. That is wholly unsuitable for motorcyclists, as tests will be 20 or 30 miles from where they live, and I fear that they will drive without a licence. I ask the Minister to look at that again.

**Sir Nicholas Winterton (in the Chair):** I call the Liberal Democrat spokesman, Susan Kramer.

3.5 pm

**Susan Kramer** (Richmond Park) (LD): You have a disadvantage, Sir Nicholas—we are not labelled—but thank you for getting there in the end.

I appreciate the opportunity to speak in this debate. I congratulate the hon. Member for Dumfries and Galloway (Mr. Brown) on bringing up an issue that, as the hon. Member for Blaenau Gwent (Mr. Davies) said, affects every constituency. I also congratulate the hon. Member for Blaenau Gwent on his contribution, which touched the emotional core of the thoughts of everybody here—the tragedy of the loss of young life, or indeed any life, in a car accident.

I shall try to keep my comments brief, as so much has been said and we are all eager to hear from the Minister on the Government's reply to the Committee's report. Like many others, I support the idea of a minimum learning period before achieving a driver's licence. When I first got my licence, back in the mists of time, I was, frankly, dangerous. Like many of us, I came from a family that had never had a car and in which nobody else was a driver. My ability to deal with anything other than the most predictable events on the road was minimal. How we got through that without a crash is beyond me.

My children learned to drive in the United States and they learned much younger. Their provisional training began at age 15, and they had their licences on their 16th birthdays. The whole approach to training was entirely different and gave me enormous comfort. I hope that the Government will consider that range of possibilities. My children's school took on the responsibility of ensuring that they received driver training. It was a year-long programme. The children could get behind the wheel earlier by signing up than they would have otherwise and it was cheaper than traditional driving lessons. It was a great incentive to the youngsters. The training was far more comprehensive and they learned with their peers, so it was not just one child learning to be responsible but probably all the children with whom they spent their free time.

As a result of the programme and how it was packaged, I felt entirely comfortable getting into a car with my youngsters, whereas, looking back, I would have been terrified to get into a car with myself. There is a great deal that we can do, and we can learn a great deal from other countries if we make it a priority.

The idea of a graduated licence and some sort of provisional period seems to make sense. We must question whether some adults might earn only a provisional licence. Maturity and judgment create a different environment. Some adults have many years' experience driving in another country and are thus earning only what they see as a British licence, but we should probably consider that provision for all new drivers without significant experience.

During this debate, we have focused almost exclusively on drivers themselves and the rules governing licences, but the number of accidents raises questions about issues such as road design. When we design our roads, is safety as high a priority as necessary? In my constituency, we have struggled endlessly for funding for some particularly difficult roads about which everybody agrees that action must be taken, but for which money is not easily available.

**Mark Lazarowicz:** Does the hon. Lady think that there is a case for re-examining the national speed limit? It may be suitable for some roads, but it is too high for many in most people's observation. Is that something that should be reconsidered?

**Susan Kramer:** I was about to come to that. The hon. Gentleman will be aware that my hon. Friend the Member for Manchester, Withington (Mr. Leech) tabled a ten-minute Bill suggesting that the default speed limit in urban areas should be 20 mph rather than 30 mph. We need to examine such issues, and local councils certainly need much greater flexibility to set appropriate speed limits. There are quite a number of issues around speed, which we need to examine so that we can at least ensure that local conditions are appropriately managed. We will probably need to return to that issue in a different debate and for longer.

Others have mentioned enforcement, and it is one of the most significant issues. I have been trying to have conversations with various chief constables, and many of them, as they have come under financial pressure, have essentially decided that they can make cuts in road traffic policing. That should be of general concern to us. As hon. Members will know, the British crime survey does not give a line item to road traffic accidents. In a sense, that pulls it off the list of matters that gain forces brownie points and which affect how forces are measured and how chief constables are rewarded. We need to re-examine those issues and to give much higher priority to a problem that causes so many deaths, especially among young people.

The Highways Agency traffic officer service has received a lot of investment, but, again, we have a significant body of uniformed officials who cannot

enforce most aspects of the law. They cannot stop drivers for drink-driving and they are not equipped to test for drug-driving. Essentially, they can manage the scene of an accident and direct traffic around it, but their inability to enforce laws is now widely recognised among drivers, which is leading a fair number of drivers to abuse those laws. Having sailed past one of the service's cars, young people will be more tempted to drive at totally inappropriate speeds on motorways in the future. We therefore have to look at the whole issue of enforcement.

I look forward to what others will say in the debate. I am glad that the issue is being given high priority. It may not be glamorous, and the only time that it hits the newspaper headlines is when there has been a terrible tragedy, but so many families have suffered in one way or another—perhaps they have not suffered a death, but an accident—and they deserve the protection of the House.

3.12 pm

**Mr. Robert Goodwill** (Scarborough and Whitby) (Con): I congratulate the hon. Member for Dumfries and Galloway (Mr. Brown) on choosing such an important subject for debate. We have all heard horror stories from around the country, and I am sure that the poignant one from Blaenau Gwent about the young people who tragically died just when they were beginning their adult lives hit home with us all. Thirty-two years ago, a school acquaintance of mine was killed in a road traffic accident during the summer holidays. He had been celebrating the end of his A-levels and was on the point of going to university, and his death brought the issue home to me.

It often seems sensible to see what people are doing abroad and what we can learn from them, and the story is actually very good from the United Kingdom's point of view. England and Wales have about 62 fatalities per million of the population—that includes young and older drivers—while Scotland has 74. That compares with Portugal at 289, Greece at 225, France at 144, Germany at 104 and Italy at 117. In fact, only two European countries have a better record than us. That is no reason for us not to try to do better, but we can at least take pride from the fact that a lot has already been done. None the less, more needs to be done. Those statistics are particularly surprising, given the problems that we have with the way young people use alcohol in this country, compared with other EU countries.

I suppose that I should declare an interest because my eldest son is 18 and has passed his test, and he now drives to work every day at the bus factory in Scarborough. When he embarked on driving, it was interesting to see how difficult it was for him to get insurance. When I started driving, my father bought me a big, solid Volvo, but my son has had to get a Vauxhall Corsa with a very small engine, although it still cost him £1,700. I am sure that the engineering in it is as good as it was in Volvos 30 years ago, but just out of interest I rang my insurance agent to see what it would cost my son to drive a Volvo. A Volvo F40 with a 1600 engine is not a particularly large car, but it would cost my son £5,063 to insure for himself. So not only are our young drivers inexperienced and sometimes reckless, but they also have to drive around in much smaller vehicles than we did a generation ago.

During my 18 months on the Select Committee on Transport, we were given evidence by groups such as Brake, which do wonderful work on behalf of young people, many of whom have had personal experiences that have caused them to become engaged with such groups. I have to say that if my son had been killed in an accident caused by a drink-driver, I would want to reduce the alcohol limit to zero. If he had been killed by a speeding motorist, I would want a 20 mph limit on all our urban roads and perhaps a 60 mph limit on all other roads. It is difficult for someone to take an objective view when such experiences have affected their lives so much.

Several measures are, of course, already in place. The Government have legislated to disqualify young drivers who get six points in the first two years after they have passed their test—other drivers require 12 points. There are several options that the Government could take, and we have heard them rehearsed this afternoon. I am sure that the Government are keeping them constantly under review. For example, we could make the test harder. That is an obvious step, because it would take people longer to learn. We know that male drivers between 17 and 20 are 10 times more likely to be killed or seriously injured than men aged between 40 and 49, but they are precisely the people who pass the test with flying colours, and I am sure that the Department collects the figures. Making the test harder would not affect those young drivers, who are, by and large, the ones who easily pass the test. It would, however, affect people such as the lady in my village who took her test in her 70s after her husband—a former Desert Rat tank commander—died in his 70s. Sadly, she is the kind of person who would be affected by making the test harder, even though she is a careful driver, and it is wonderful that she has managed to learn to drive.

Hon. Members, including the hon. Member for Richmond Park (Susan Kramer), have talked about a longer training period. We could perhaps have a six-month training period, but in a rural constituency such as mine that would cause particular problems for people who want to get to work or to enjoy a social life. It would also impinge greatly on young people's freedom to do what they want, and they will have to impose on their parents, who will have to run them around and pick them up. In many cases, young people who cannot upgrade to cars will spend longer riding mopeds, which are more dangerous.

It has been suggested that we have a curfew from 11 pm to 6 am, and that is probably a good idea, but who will police it? How many police are on the roads of the Isle of Wight, rural Wales or Scotland at that time of night to enforce such a provision? It is always a problem to ensure that such matters are policed.

Another proposal is that we reduce to one the number of passengers in cars driven by young drivers. That is fine, but it may result in more people racing. When my son goes out with his friend and their girlfriends, I am sure that he would resist the temptation to race with the four of them in the car. However, if those four people were in two separate cars, there might be more incentive for them to race around the countryside.

Limiting the engine size sounds like a good idea, but many young drivers gain important experience by

*[Mr. Robert Goodwill]*

driving the family car, and most people's family car probably has a larger engine than the cars that young drivers start with. In my part of the world, most young drivers start off driving a Land Rover, which has quite a big engine. So what can we do? The most important imperative for the Government is to address these issues through policing. We need real police on the streets—not cameras or Highways Agency officers who do not have the powers of the police. They need to be out on the road, policing—not back in the police station filling in forms.

I recently met traffic police representatives and we discussed the issue of drink driving. Yes, we could reduce the limit, but drink driving is not a key performance indicator for the police. It is not a crime that is reported. In many cases it does not feature highly on the priority lists of police forces. Perhaps there should be more incentive for police forces to pay attention to drink driving. Perhaps there should be more high profile policing of drink driving. The fact is that if someone's car is taxed and insured, and does not trigger the automatic number plate detection system, and if they are driving in a reasonably straight line with no back lights off, there is a good chance of their getting away with drink driving in some parts of the country, where there are not so many police around, for quite a long time.

Although there has recently been a lot of press coverage of the inquest on the death of the late Diana, Princess of Wales, there are only two conclusions that we can all draw: that there were three people in the car not wearing seat belts, and they were the ones who were killed; and that one person in the car was, reportedly, over the drink drive limit, and that was the driver. Those are the lessons that we need to learn, and to apply to policing, for our young people.

There are problems with respect to uninsured people and MOTs. On that point, one of my son's friends recently bought a vehicle for £50, in which he drives around. Can I have an assurance from the Minister that we shall not move to a system of MOTs every two years rather than annual MOTs? I know that the matter is under review, but it is much more likely that many young drivers will drive a car that is not roadworthy, if we go with the European model of two-yearly tests.

It is vital to improve children's education in this context. My children are not keen on the citizenship studies that they do in school. They are taught a lot of stuff that they do not want to know about, but it would be very useful to teach them what can happen if they drive irresponsibly, show them the videos that are available and get people who have been touched by accidents in to talk to them. A friend of mine was recently flashed by a camera when he was doing 33 mph and given the option of taking a £50 course, rather than have points on his licence. He went on the course. Before he did so, he was rather cynical about it and thought that it would be a complete waste of time. After he had taken the course, seen the videos and learned a little more about the dangers of speeding, he was very positive about the whole thing.

**Mr. Fraser:** On that point, does my hon. Friend accept that that course, with which I am familiar—because constituents have drawn my attention to it, not because I have been a victim of it myself—is not available across the country, and that not every constabulary has adopted it? Perhaps it is time that they should.

**Mr. Goodwill:** It is an excellent suggestion that best practice should be shared around the country. Of course, we have heard about YouTube in this context. I admit that I occasionally surf around that site to see interesting films and find out what is on there. You may, Sir Nicholas, remember the "Top Gear" film highlighting level crossing safety problems, in which a train was driven into the side of a car on a level crossing. That is on YouTube, and many young people watch that. Perhaps we should look at imaginative ways to get the message across, using new media such as YouTube.

In conclusion, may I once again thank the hon. Member for Dumfries and Galloway for securing the debate today. If we can reach evidence-based solutions—measures that will work, rather than those that we wish would work—Her Majesty's Opposition will be more than happy to support the Government in bringing forward measures.

3.24 pm

**The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick):** It is a pleasure to see you presiding this afternoon, Sir Nicholas.

I congratulate my hon. Friend the Member for Dumfries and Galloway (Mr. Brown) on securing the debate on a very important issue, which is of concern in all our constituencies. I especially commend his setting of the tone for this serious debate about how to cut deaths and injuries among young drivers.

We are making encouraging progress, with a 33 per cent. reduction in reported incidents of people being killed or suffering serious injuries, against the 1994-98 baseline that we set ourselves, but we must do much more. There were 3,173 road fatalities in 2006 and more than 28,000 serious injuries, including 8,500 to 17 to 25-year-olds. The debate is about young driver accidents. There were 1,065 fatalities in crashes involving a driver aged 17 to 25, including 393 of those drivers themselves.

Against that bleak background, let me say something first in defence of the majority of young drivers. I am pleased that my hon. Friend made similar points. Those drivers want to be safe and responsible. They deserve good training. Unlike a minority of young men, they do not speed and drive dangerously, or drink and drive. They and their passengers wear seat belts. A minority disregard the basic road traffic laws that would, if they were observed, make our roads much safer. They would probably treat any new laws in the same way. It must remain a priority to enforce existing laws against those irresponsible people.

We must consider whether driver training and testing meets the needs of the responsible majority. In February, the Department for Transport promised fundamental reform. The debate allows me to explain why. We aim to start consultation on our proposals before the end of the year. The driving test was introduced in 1935. Roads and traffic have changed out of all recognition in 70 years. The test has also changed

over time and it is still recognised as one of the best, but we cannot go on with incremental fixes. The time has come for a new system for the years ahead. In 1935, only a minority had the opportunity to drive. The test was conceived to ensure that those who had access to a vehicle knew how to operate it. Driving has become very important to most of us, especially young people, as the hon. Member for Scarborough and Whitby (Mr. Goodwill) described. It gives access to the social and economic opportunities of independent adulthood. A modern driver training and testing system is thus more vital. It must deliver safe lifelong drivers.

We must ask how the present system measures up. Let us start by asking whether learners value it. Our conclusion is that they do not. Young people in particular say that they learn to pass the test and then teach themselves what they see as proper driving. The pass rate is low. It could be much better if learners generally waited perhaps only a few weeks. Too many learners waste money on tests when they are unready, because they think that the result is a matter of luck. Learning to drive is not cheap. Many spend more than £1,000 on lessons, and some spend £150 on tests. Training still focuses on vehicle handling, but we know that attitude and motivation are also very important, if not key factors in good driving, and that learners are insufficiently prepared to make safe use of road space shared with others, many of whom are vulnerable.

I do not blame driving instructors. My father was one for many years. Their customers are driven by perceptions of the test. They want to know only how to get through quickly. Learners are ill-informed about the test standard, and learning is poorly structured. Some have little or no exposure to typical conditions such as night driving. Most of those who fail have thought themselves ready, and they put their failure down to bad luck and nerves. Eco-driving is not integrated into the learning process. That cannot be tackled with a quick fix: it calls for a wholesale change of driving and training style. Extra lessons do not seem to make things better. Research suggests that learners overall are taking more lessons, but the pass rate and accident record are not improving. Some candidates are nowhere near the standard. Driving examiners often have to grab the handbrake or steering wheel, or use the dual controls.

Many trainees pass without achieving a consistent standard. We asked a group to take the test twice in the same week and of those who passed only 64 per cent. passed on both occasions. Hon. Members may ask themselves if they would still pass the test if they took it today. The truth is that too many learners who passed last week would not pass either. Women find the test more difficult but have fewer accidents as novices—more evidence of female superiority, if any were needed. Training and testing should achieve a consistent result across all groups.

I do not overlook the main point made today—that those most recently trained and tested have the worst accident record. Young drivers are over-represented in the casualty figures. They make more expensive claims, so they face very high motor insurance costs. There have been calls for restrictions on novice drivers. Many believe that those who pass the practical test are not ready to drive solo. That surely reflects on their training. How can we expect young people to understand the risks that come with bad driving if it is not a formal part of what they have to learn to be a driver?

Finally, coming back to whether people value the present training and testing process, too many people opt out of the licensing system altogether. They are the most dangerous drivers. It would be a mistake to try to fix one or two of all those problems.

**Mr. Goodwill:** Does the Minister agree that a number of our young drivers who have passed their tests in places such as Poland and Romania or other new European countries may not have a valid driving licence but can show a document that looks like one?

**Jim Fitzpatrick:** The hon. Gentleman makes a good point about the validation of licences issued by European partner states. Enforcement in the case of foreign qualified drivers is clearly even more complicated when one has to check foreign credentials. I recently visited the DVLA at Bristol and saw how the credentials submitted by drivers who have qualified elsewhere are checked against the documents issued in their own countries. It is a very thorough process. However, just as some domestic drivers drive while disqualified or drive without passing the test, I am sure that some people from those countries are in the same position. We need to bear down on them as much as we bear down on people here who are not following the norm.

We talk of fundamental reform because we believe that there is a case for it. We said in February that we need a comprehensive package of reforms. They include education to influence attitudes before the age of 17, thorough training and a reformed assessment process. We need to do more to help drivers maintain high standards for life, especially if they drive for work.

**Mr. Fraser:** On the specific point of what needs to be done, would the Minister give careful consideration to an issue that has already been raised—those who are not insured and who have no intention of being insured who take cars? Dare I say that some parts of the country have gained cult status through the activities of such people, which often get videoed and put on the internet—and which encourages all their mates to do precisely the same?

**Jim Fitzpatrick:** I entirely agree with the hon. Gentleman. The last thing that we want to do is to create any kind of climate where disregard of public safety of the sort that he described is encouraged in any way, shape or form. We need to ensure that such behaviour is tackled as effectively as possible.

The tools are already available to create a new approach. At the heart of our reform is a new framework setting out the skills, knowledge, understanding and attitudes required for safe driving. That will be the foundation for all our work on education, training, testing and lifelong learning, including developing skills, remedial training, and work-related driving. It is a modern template, consistent with vocational frameworks in the education system and in industry. Systematic assessment criteria will be used to establish that candidates have the required level of competence. A similar framework will be developed for instructors and examiners, linked to schemes for

*[Jim Fitzpatrick]*

continuous professional development—a point made by my hon. Friend the Member for Dumfries and Galloway.

Our overall aim is simple. Anybody who prepares properly should expect to pass the test; and those who skimp or treat the test as a matter of luck will fail. Too many young people opt out of driver training and testing. We will aim to persuade them, but we will not tolerate the dangerously bad driving of the minority. We do not propose new restrictions on learners and newly qualified drivers, but we intend to have a wide-ranging and open consultation. I undertake that it will be fully addressed, even though it may not form part of our proposals.

I turn to some of the points raised during the debate. The hon. Member for South-West Norfolk (Mr. Fraser) raised an interesting and challenging point about penalties. I regret to report that I am unaware of any work being done on the matter. However, he made the point effectively; I am certainly happy to raise the matter with the Ministry of Justice, and I shall keep him posted.

My hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz) asked about enforcement and mentioned the DVLA. As I said earlier, those who avoid paying tax and/or insurance are among the most dangerous drivers. The DVLA now has more new technology and a partnership with National Car Parks, and something like 1,500 vehicles a week are being impounded. New electronic equipment is being rolled out: all Welsh and Scottish police forces have it, and 12 English forces have it, and the aim is to complete the process by the end of 2008. In 2009, we will be introducing continuous insurance. That will ensure that vehicles can be tracked. Much as with TV licences, when the authorities know where people live and whether they have a licence, it will soon be known whether they have a car and whether they have insured it. In due course, that will help considerably.

I echo your comment, Sir Nicholas, that it is good to see the hon. Member for Isle of Wight (Mr. Turner) in his place today. He, too, contributed to this important debate, but I have not been briefed on the details of the main issue that he raised. However, I will contact his office and look into the matter in detail. The hon. Gentleman spoke about motorcycles and particularly about motorcycle safety. When I had responsibility for the fire service two years ago I visited Cheshire, where I saw a special initiative called "Fire Bike". As many as 70 motorcyclists each year were being killed on Cheshire's roads. It is a wonderful county, with lovely lanes and so on. I hope that the hon. Gentleman will forgive me, but I have not visited the lovely Isle of Wight. However, I know that it has the reputation of offering similar enjoyment to those motorcyclists who enjoy riding on rural roads. However, some motorcyclists may not be used to such roads. The police in Cheshire were trying to tackle the inordinate number of people being killed on motorcycles in that county, but I will look into the matter. I assure him that I have had several meetings in the past fortnight with motorcycle organisations and I have discussed motorcycle safety and other issues.

The hon. Member for Scarborough and Whitby (Mr. Goodwill) made a challenging point about what price we were prepared to pay when trading freedom against additional restrictions. Our consultation, which will be published shortly, will provide the opportunity for organisations and individuals to comment, and the balance of that argument will obviously colour our judgment as to what we should do.

The hon. Gentleman also asked about enforcement and police numbers. I entirely agree with him that the prospect of being caught is one of the most effective deterrents. We are working closely with the Home Office and the Association of Chief Police Officers to ensure that traffic policing and enforcement is maintained. We are looking at how the issue is reflected in police targets in order to ensure that it receives the appropriate attention. Recent drink-drive campaigns have increased the number of drivers being tested. Again, that demonstrates that we are moving in the right direction. I am also informed that more speed awareness courses are being rolled out.

I was asked about the MOT consultation. That is still being discussed between Departments, and I shall alert Members as to when that is likely come about. However, I hear exactly the point that was made; it was made also by a number of organisations when I was at the Department of Trade and Industry, and as Minister with responsibility for better regulation I chaired a challenge panel every quarter to deal with exactly the same concerns, particularly about a move to less frequent MOTs such as on the continent. However, the issue is still very live.

Driving is a skill that people use for most of their lives. It is vital that we prepare new drivers properly. It is a huge challenge. There is no quick fix. Change will take time to complete, and there must be full consultation. The debate has been a valuable opportunity and I look forward to further discussions—especially with drivers and with the public at large—as we thrash out our proposals in the coming months.

I conclude by again congratulating my hon. Friend the Member for Dumfries and Galloway on securing the debate and by thanking those hon. Members who have participated in it. The subject matter of the debate is very important, and we all agree that too many people still die or are seriously injured on our roads, so I hope that the debate will help in the efforts to reduce those numbers. I assure hon. Members that I shall use my own very best efforts to work with them for further progress in the months ahead. Government, Opposition parties, road safety campaigners and other external bodies such as the emergency services and enforcement organisations all want to achieve the same objective. I hope that, together, we shall continue to drive casualty figures down.

**Sir Nicholas Winterton (in the Chair):** I congratulate the House on a most well-informed and interesting debate. It has been a pleasure to be in the Chair for it, and I congratulate all those hon. Members who participated on their contributions. The debate has finished some 20 minutes early and, although the initiator of the next debate is present, the Minister sadly is not, so I suspend the sitting.

3.39 pm

*Sitting suspended.*

## Worklessness (West Ham)

4 pm

**Lyn Brown** (West Ham) (Lab): I shall take this opportunity to talk about the unfairness in the benefits system, which ensures that many of my constituents are unable to work or keep a roof over their heads. Until the system is changed, key Government aims and objectives—in particular, our determination to eradicate child poverty by 2020—cannot and will not be realised in London.

I bring to this Chamber the problem as expressed to me by local people and charitable agencies. I know that I may be criticised at the end of the debate for not offering many solutions, but my purpose is to try to persuade the Department for Work and Pensions and, indeed, the House, that the situation urgently needs a solution. I shall highlight the problems faced by my constituents in particular and more widely by those on low incomes across London who wish to work and to advance in life, but who are frustrated by the combination of high housing and child care costs, and by the way in which the benefits system plays with their incomes.

We must seek a solution to the disincentive that confronts 1.7 million low-paid families, who lose 60 per cent. or more of any increase in their wage packet because of the benefit configuration. If we as a Government are to hit our target to end child poverty by 2020, we must tackle poverty in London—not the London of the champagne Charlies, but the London of real economic hardship and deprivation, in which many people, such as the unemployed and those on low incomes, struggle to survive. Some 41 per cent. of London's children grow up in poverty. Excluding pensioner households, half of income-deprived households have someone in employment servicing and enabling London's economic success and thus the country's economic success. However, that work does not lift them out of poverty.

Housing benefits impact on the Exchequer—I have no doubt about that. Combined with council tax benefit, housing benefit is almost equal to all the other means-tested benefits added together. It is clear that we must get housing benefit right, and not spend it in a way that is counter-productive to the Government's wider objectives. Almost 30,000 families in the London borough of Newham are on the housing waiting list. The wait for a three-bedroomed property is nearly 12 years, and for a four-bedroomed property it is almost 13 years. While those families languish—there is no other word for it—in temporary accommodation, housing benefit spending in my council is £245 million. That is just a single London borough. Nearly one third of that £245 million—£67 million—is spent paying private landlords.

The rents average £300 per week, or £1,200 per month. That rent does not secure a pleasant house, such as those on some of the television makeover shows that create properties for the buy-to-let market, but a flat situated over a shop or takeaway outlet. The average amount of housing benefit paid to council tenants in Newham is £70 a week. The average payment for housing benefit in temporary accommodation is £350 a week—five times the housing benefit paid to council tenants. That figure illustrates a disparity in rent and employment levels. The cost of housing has created a divide between those able to work and those for whom there is little incentive to do so, or even a negative incentive. The failure to provide enough affordable housing has created a boom in the buy-to-let sector. Temporary tenancies are often on short-term leases and tenants face the prospect of regularly having to move. The Minister will agree that that is very distressing and unsettling for families, particularly for young children who either have to change school or face long journey times to school every time that they move house during the 12 year wait for local authority housing. That is extraordinarily disruptive.

That would all be bad enough, but the problems caused by a lack of public sector housing are compounded by the impact of the benefits system. I am bombarded with evidence from constituents about housing benefit and the way in which it combines with other sources of income, benefits and tax to create a poverty trap for those in low-paid work. I have constituents who asked their employers to retract their wage increases because they were worse off after the increase. Others work part-time, but want to increase their hours to full-time, make progress at work, have a career and access housing associations' joint-housing purchase schemes, but they simply cannot afford the additional rent that they would have to find for private, rented accommodation because, by dint of the additional wages that they would receive for additional hours worked, their housing benefit would be reduced. They are simply unable to take that first step, so they cannot find their way out of the poverty trap.

At the centre of the problem is the 65p in the pound withdrawal rate of housing benefit as income increases. John Hills, who is a professor of social policy at the London School of Economics and director of the Centre for Analysis of Social Exclusion, said:

> "Housing Benefit is a major contributor to the 'poverty trap', where people's net incomes rise by only a very small proportion of any rise in gross earnings. The higher the rent paid, the wider this zone. As a result, although the level of someone's rent has no effect on their net gain from working at all, it can make a large difference to their net gain from extra earnings. For example, a couple with two children paying a typical private rent of £120 per week would gain only £23 if their earnings rose from £100 to £400 per week (as a result of reduced benefits and tax credits and higher tax and national insurance)."

I shall come to my own example in a minute, but my community would kill for such a rent level. Let us take Professor Hills' example, which represents an effective marginal tax rate of 94 per cent. on the poorest in society. The Secretary of State for Innovation, Universities and Skills has expressed concern about the lower level of job retention for those returning to work. Despite recent falls in the likelihood of their leaving work, lone parents are still almost twice as likely to leave their job as non-lone parents. Fewer than one in five lone parents who leave income support return within six months; over one quarter return within a year, one third within two years and almost two fifths within three years.

Lisa Marker's report on child poverty, published at the end of last year, projected figures that showed that if the rate of job exits among lone parents was reduced to the level of those among non-lone parents, the Government's 70 per cent. employment target could be

*[Lyn Brown]*

met without any increase in the number of lone parents entering work. That is a remarkable finding, but before we think about putting further pressure on lone parents, it is important that we recognise that that evidence implicates the state in what has happened, as it has created an imbalance in work incentives, and we must do something about it.

I asked the excellent social regeneration unit at Newham council to analyse an example for me, so that I could present the Minister with the impact of the problem on my community. The unit used the example of a lone parent paying an average private rent—not the top figure—with two small children. If that parent had a job paying the minimum wage, she would earn £10,075 a year, which in London, with our high costs of living, is nothing short of a pittance. After the loss of benefits she would be just £50 a week better off than she was on income support. I suppose we can call that an incentive to work.

Let us take the analogy a little further. Let us assume that she is a bright and motivated young woman—why not?—and applies for another job, which she gets, along with a pay increase of £5,800 a year before tax and benefits, so that she is on £15,000 a year in London. Again, it is not a high wage, but what does she get at the end of the day? She is £7.78 a week better off than she was with her £10,000-a-year job. Can we honestly imagine how disheartening that would be? A new job, promotion and an additional £5,800 a year, but no new clothes to help with the new job, no additional socialising with colleagues, no holiday with the children and no impact at all upon their lives. If we are to incentivise lone parents to return to work, we must analyse the benefits system. The 65p in the pound housing benefit tax rate is at the core of the issue.

To develop the story, I shall discuss tax credits so that we can begin to understand why almost two fifths of lone parents who leave income support return within three years. I realise that responsibility for tax credits rests ultimately with the Treasury, but in these days of joined-up government I am justified in briefly mentioning the way in which the system disincentivises the work force. My hon. Friend the Minister will know that any increase in earnings one year will have a knock-on effect on tax credits the following year. In some ways, the system is excellent: it cuts overpayment and gives the person returning to work a buffer, as they receive additional money for the remainder of the financial year. The lone parent receives a promotion and additional income, she comes off income support and climbs beyond housing benefit and council tax benefit, so she loses fewer benefits. She is out of the poverty trap, and she feels great. However, the increases are due to the frozen tax credit. Next year, a new calculation will be made, her tax credits go down by what can be very significant amounts, the family struggles and work is no longer incentivised.

To give an example of the system's impact, before I entered the House, as part of my job I organised focus groups with residents in a London borough to discuss local service provision. I was staggered to discover that at least four fifths of the women whom I interviewed had recently returned to work only to leave because they could not afford to stay on. The realities of work—how little additional income the returnee would receive, given the additional expenditure that work requires and the journey times between work and school—had not been properly costed or considered by their back-to-work adviser. As a result, those women left employment with significant debt in some cases, because they were struggling to carry on. They were totally demoralised and fearful of trying to work again. They were not bad, feckless or lazy women, nor had they taken unaffordable foreign holidays or bought wardrobes of new clothes for their new jobs. They were women who wanted to be parents in hard-working families. They knew that there would be a positive impact on their children if they returned to work, they wanted to have pride in themselves and they were aspirational, but they were let down by the system.

Surely to goodness we can see that that situation will not provide us with what we desire—a fair and equal society in which we offer

"the best of chances for all families";

in which all children have the best of chances when growing up; and in which

"all families who work hard can build a better life for themselves".

We must look at the tax system again. We must consider making regional variations in tax relief for those on low income; raise the taxable allowance at the bottom end of the income scale; and raise child benefit radically, and make it taxable at the top end. I accept that those measures go far beyond the scope of the debate, but I seek an undertaking from the Minister that we will investigate the impact of tapering housing benefit at a slower rate, even if only in certain regions and until house building in London and the south-east has begun in earnest.

I am not alone in making that call. The Harker report recommends a proposal to reduce the 65 per cent. withdrawal rate, as does the London Child Poverty Commission. Housing benefit is at the bottom of the food chain, and it is calculated on net income, so making it more generous does not have knock-on effects elsewhere, unlike tax credits. Overhanging all those arguments is the desperate need for affordable housing on a huge scale in London. It is the only solution that begins to depress housing costs generally, and I heartily welcome the Government's renewed commitment to the issue.

The Government have been considering the problems that I have outlined for some time. Pilots in communities, including my own, are testing different models of intervention, but they are all short-term and time-limited, and families may be significantly worse off once they have concluded or the grace period has expired. A young woman with three children came to my surgery last week. She went back to work on one such pilot, which finished, but the organisers did not tell her. She is in debt by £17,000, which she owes in backdated rent. She believed that her rent was being paid by the pilot which, however, was time-limited.

In truth, the pilots tell us what we already know. If we make it easier for families to afford a roof over their head, and if they can access affordable rents, they work. If families can afford to work, they want to do so. If they are allowed to aspire to a better standard of living, they tend to grab the opportunity. When my

right hon. Friend the Member for Barrow and Furness (Mr. Hutton) was Secretary of State for Work and Pensions he admirably expressed the aspiration that

"every generation deserves the opportunity and support to raise and fulfil their aspirations; every individual the support to lift themselves and their families free from poverty and dependency."

I agree. What then are we going to do about housing benefit?

4.18 pm

**The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt):** I congratulate my hon. Friend the Member for West Ham (Lyn Brown) on her contribution to the debate. She spoke with much conviction and force about an extremely important subject, and clearly she represents very effectively her constituents, who face the challenges that she ably described.

May I begin by telling my hon. Friend that Ministers in the Department for Work and Pensions need no further persuasion of the importance of the subject, nor, indeed, of its complexity, which she rightly identified? She called for more fundamental reform of housing benefit, and interestingly, I think she said that in her borough, £60 million of housing benefit is paid to private sector landlords. She will know about our introduction of the local housing allowance, which will begin to take effect from April next year for new claimants. It represents a fundamental reform to housing benefit in the private rented sector, and if she has not seen already the analysis that we received from the pilot areas that tested the allowance in the private rented sector for up to two years, I can tell her that its impact on people's willingness and ability to move off benefit and into work is very encouraging. I hope that as the allowance moves into her borough from April next year, she will begin to see in her surgeries some of its beneficial effects. I shall certainly be interested to hear how she thinks it is going once it is in effect.

I agree with the point towards the end of her speech that the fundamental solution is an increase in the supply of affordable housing. That is absolutely right, and I am pleased that she acknowledges that the Government have picked that up and that, although the debate is about housing benefit, the fundamental issues points to a story more of housing than of benefit. The benefit story is a consequence of the current position of the housing supply. If we can get to work and make progress on the housing supply, we shall certainly start to get a grip on the problem.

On housing benefit, we recognise that the current system may be perceived as a barrier to work. We have already taken steps to address that problem, for example by reducing bureaucracy and trying to provide a better service to customers. We are also considering ways to make customers more aware that housing benefit can be claimed while they are in work, as evidence shows that that knowledge may have an impact on their employment decisions.

Together with the Department for Communities and Local Government, we are supporting the working future pilot, which is led by the Greater London authority and the East Thames Group. It is testing how lowering rents and increasing training opportunities and employment support for those in leased temporary accommodation can help them to overcome some of the barriers to work. It will provide us with valuable information on the impact of high rents and work-based initiatives on tenants' incentives to move into work. As my hon. Friend may know, the project started in September 2005 and is expected to last two years. Evaluation will take place continuously and in the latter part of this year after the pilots have been completed.

My hon. Friend also mentioned the effects of the housing and council tax benefit tapers on the poverty trap, which is an important and complex subject. Since 1997, the number of people facing marginal deduction rates of more than 70 per cent. has fallen by about 500,000 as a result of changes to the tax credit system. Benefits provide a secure source of income for individuals who are out of work or who receive a low income from their work. As a claimant's income or capital increases, they are expected to contribute more towards their living costs. The more they earn, the higher their expected contribution and the lower their benefit entitlement. It is therefore inevitable that marginal deduction rates are affected by the withdrawal of help as income rises.

People are better off under tapered benefit arrangements than under schemes that operate a cliff-edge cessation of benefit. Such schemes remove all entitlement to benefit when income exceeds a certain level. The high housing benefit taper directs support at those most in need, by ensuring that those with very low incomes receive sufficient support with housing costs in work while those with higher incomes float off benefit and thus have sufficient incentives to increase their earnings.

When we include the effects of taxation, the highest possible marginal deduction rate that a claimant could face is set at about the 95 per cent. mark that she mentioned, but housing benefit accounts for only a quarter of that total rate. The biggest contributors to that high rate, as she correctly identified, are national insurance contributions and taxation. Reducing the taper in housing benefit would reduce the severity of the poverty trap faced by those on benefit, as each pound of increased income would be accompanied by less withdrawn benefit, making the system more generous. However, because the system would be more generous, the level of income required to float off benefit entirely would be increased, thereby extending the poverty trap to more claimants with relatively high earnings. It is therefore important to have a taper rate that balances those two opposing effects—reducing the severity of the poverty trap and increasing its extent. In addition, reducing the taper rate from 65 per cent. to 50 per cent., for example, would incur public expenditure of about £400 million.

We conducted research that highlighted areas in which we need to improve the basic awareness and understanding of housing benefit and council tax benefit as in-work benefits among Jobcentre Plus staff and customers. In general, claimants do not take account of those benefits in their better-off calculations, which distorts their decisions about moving into work. The lack of awareness of in-work housing and council tax benefits implies that marginal deduction rates are not at the forefront of people's minds when they consider a move into work. Evidence reveals that if some clients had been aware, or been made aware, that those benefits could be claimed in work, it would have had an impact

*[Mr. James Plaskitt]*

on their decision to take up employment. We are currently pursuing strategies designed to address the problem.

My hon. Friend gave an example of a lone parent who gains a promotion and sees her tax credit award fall suddenly a year later. The purpose of the working tax credit is to offset the impact of taxes on the earnings of low-income individuals. It is income-related, so it is reduced as the income earned increases. That is logical, and the same principle applies to all income-related benefits. However, in the case of tax credits, a person's entitlement is worked out annually and a change in income up to £25,000 does not change their entitlement for the year. That makes the system more efficient in administration and less of a burden on the customer. It means that in the example that she gave of the lone parent, the customer's earnings increase in the tax year but she continues to receive her working tax credit at the rate decided when she was earning less. In effect there is a buffer between her salary increasing and her tax credit being reduced as a result.

In addition, as part of the Government's wider service transformation agenda, my Department and Her Majesty's Revenue and Customs have established a programme of joint work. The first project in the programme looked at improving the overall service given to customers who move in and out of work. The trial proved particularly successful in showing that practical ways can be found for the organisations to work together on working age benefits, housing benefit and tax credits.

Cities, most importantly London, pose one of the biggest challenges if we are to achieve our long-term aim of an 80 per cent. employment rate. The 10 biggest cities account for one fifth of the UK's total working-age population. Through our cities strategy, we have created 15 pathfinder local authorities with responsibility for developing and delivering targets and outcomes to tackle worklessness. Giving local areas more flexibility enables them to tailor provision and support to help move local residents into employment. The cities strategy should play a significant role in increasing local employment rates, ensuring that the most disadvantaged people in the labour market receive the help and guidance that they need.

West Ham will benefit from the additional funding that we have provided in London for training in English as a second language. That additional provision was announced in the 2007 Budget and it recognises the diversity of need and the extent of deprivation among parents living in London who, in addition to the other problems that my hon. Friend correctly identified, must often overcome language barriers to return to work. She also referred to the role of tax credits in addressing poverty. As she knows, they provide support to 20 million people, including 6 million families and 10 million children—more than any previous system of income-related financial support. She also knows that we recently announced an increase in the child element of the child tax credit. That and other policies designed to make work pay have contributed to the record level of employment that we now have; indeed, it is the highest since records began.

We are also supporting lone parents into work by extending the availability and number of Sure Start child care centres and through the extended schools programme. As my hon. Friend will know, an issue that lone parents in particular face is not just the in-work calculation in the transition from benefit to earnings but the cost implications of child care, which are part of the calculation that they have to make. I hope that I can reassure my hon. Friend that we understand completely the importance of the points that she has made. We understand the specific needs that exist in London, particularly in her borough. I shall not try to pretend that reform is straightforward or easy, but I wish to reassure her that the issue is very much on our agenda and that a number of programmes are running. We are giving further thought to issues specific to the capital city, and work is under way. I appreciate the fact that she has raised the issue, and I look forward to hearing from her again as the reforms that have been introduced are rolled out.

**Sir Nicholas Winterton (in the Chair):** Order.

## Bus Services

4.30 pm

**Steve Webb** (Northavon) (LD): This afternoon's debate has somewhat unusual parentage. Practically every hon. Member gets letters and e-mails about buses. Over the years, I have had meetings with many bus companies and have written to local authorities and, occasionally, Ministers on the issue, which has been one of many that I have taken up on behalf of local residents. However, I recently got involved with a social networking site on the internet called Facebook—I imagine that you do little else, Sir Nicholas—and young members of my constituency have been registering their views with me on that site. I wondered what young people in my area might be concerned about, thinking that it might be world peace, climate change or terrorism, but it turned out to be buses. They are the No. 1 issue that young people, perhaps in their early 20s, have contacted me about—not in ones and twos, but in droves. I was so struck by the strength of feeling among those young people, that I decided to do something about it. That is not to say that other people's views on buses do not matter, but the overwhelming volume and concentration of those young people prompted me into action.

I have a second reason for mentioning those young people. Many of them think that we in this House—present company excepted—are a waste of space, and so many of them thought that saying something to me on the internet would probably be a waste of time, but slightly thought that it might be worth their while, that I was determined to do something about it now that they have registered their concerns. Consequently, their concerns are being aired, we will hear an effective response from the Minister, I am sure, and I will feed back to them so that they can see that the whole process works and achieves something. That is why I am standing here today.

Some of what I have to say is about economic theory and how bus services, which are, in a sense, local monopolies, should be organised and what is the best way to run them. However, much of what I have to say will give a local flavour from local young people. I shall start with a few excerpts from what young people have written on Facebook. One wrote:

"the bus service to Bristol is very slow and expensive."

That is a simple point. We live in an area of market towns and villages on the outskirts of a city, and most bus services run into and out of the city, although there are some between. Many villages have poor services, especially in the evenings and at weekends, and those services that are there are not very frequent. The service is universally regarded as being quite slow, expensive and often unreliable.

Another person said:

"I am concerned about the terrible state of public transport in Britain...I have recently returned from living in Japan"—

she goes on to say how good that was, and continues—

"I was shocked at the state of public transport here when I returned...Coming home at night the bus only runs once every two hours, on top of which the journey is expensive (six pounds return)."

A lot of the figures I will quote are the cost of going from villages and towns in my constituency to the centre of Bristol, and return fares of £4.50, £5 and £6 are normal. Some constituents tell me that those fares are a significant proportion of their modest wages from a Saturday job, and others say that if they want to go to the cinema and a cinema ticket is £5, they need to double that amount to pay the bus fare as well. Others say that if two or three of them go out together, it is cheaper for them to get a taxi than for three of them to get a full return bus fare.

I have spoken to the director of Firstbus in the local area about those issues. It is easy to portray Firstbus as the villain of the piece—it is known locally as Worstbus—and that is partly fair, but it has to deal with congested roads and the local authorities that it works with must take some responsibility. The root of the problem is that Firstbus and other operators are private monopolies. There is a semblance of competition—in theory I could start the Steve Webb bus company tomorrow, get a licence and start competing—but in practice, a huge investment would be needed to compete against a big group such as FirstGroup, which has massive resources. It would undercut and outdo me, then jack its fares up again as soon as I had gone, so there is no real, effective competition.

There are areas in which it is good to have a vibrant, free market, such as with telecoms. We have gone from having one nationalised industry to having a vibrant, competitive market with entry and innovation, and that is great; I have no problem with that. In other areas, having a state monopoly is the only way in which to do things, such as with some elements of the health service, but the worst of all possible worlds is having a private monopoly trying to provide a public service.

4.36 pm

*Sitting suspended for a Division in the House.*

4.46 pm

*On resuming—*

**Steve Webb:** To continue seamlessly, I made the point that many young people contacted me about their bus service. I shall give another quote. It links with what I was saying about the right way to do such things. One young person from a village in my patch stated:

"I rely almost entirely on public transport as the cost of owning and driving a car is collosul"—

a misspelling, but one cannot have everything—

"But First Buses Bristol seem to do nothing but raise prices and rip people off, it currently costs me...over £5 return to the centre of Bristol".

The interesting phrase in the message is

"considering they have the monopoly on the local bus services, shouldn't there be some regulation on their prices?"

Later on, there was a reference to extortion.

That is the point that I was trying to develop when the bells rang. There are several different models for running a public service. One is complete competition, which operated for a period after deregulation in the mid-1980s. I remember that in Oxford, where I was a student at the time, the bus companies were fighting each other. A bus would pull up literally a minute before the time the bus from the rival company was expected, take all the passengers and bomb off down

*[Steve Webb]*

the road. One could barely move for buses. That all ended. The fittest survived, and eventually the situation degenerated into a monopoly.

A competitive model does not work for bus services, especially in market towns and villages. The situation may be different for urban services, but when we are talking about rural routes, infrequent routes and, often, not huge passenger numbers, the idea that two companies will run side by side—that there is the volume for that—and that there is always an entrant waiting to chip away at and threaten the incumbent is just nonsense. FirstGroup has huge resources—it could see anybody off. To all intents and purposes, it is a monopoly provider. Yes, the council occasionally lets out a franchise for evening and weekend services, and FirstGroup gets some of them as well. There are other small operators in the area, but FirstGroup overwhelmingly dominates.

So we have a private monopoly. When I ask the managing director why he does not lower the fares, his response is that at peak hours the buses are full, so if he lowered fares, he would lose money. The rest of the time, the additional passengers that he would get from lowering the fares would not make up the money that he would lose from lowering them, so it is not worth his while. The answer is always, "We are not a charity, we are a business. We run to maximise our profits." He tells me that the rate of return for the bus business is not as great as it is for some of the other bits of FirstGroup's business, so he is not interested in lowering fares.

The managing director's tone has mellowed a little since I first spoke to him, but, in essence, his attitude is, "You want a public service, you pay for it." Britain is unusual, in that 90 per cent. of the revenue for bus services comes from bus passengers. Some 10 per cent. is from subsidies of various sorts from central and local government, but the vast bulk of the cost is met by passengers. Belgium, where the figure is 30 per cent., has taken the view that public transport is a public service—I agree with that—and that therefore more Exchequer input is probably the only way to deliver it.

Of course, things can be done. Quality bus partnerships, bus lanes and real-time information are all good things and can help, and I do not wish to decry the efforts that have gone into making improvements. But, when it comes down to it, when my constituents contact me about the cost and reliability of buses and the routes run by the companies, I tell them that the bus company will not make changes because it will not make any money, and the council will not subsidise services because it does not have any money. Tough, get lost, go away—there is nothing that can be done because we are at the hands of a monopolist.

Bizarrely, the Select Committee on Transport looked into the Government's draft Local Transport Bill, and said that when there is more than one operator and they want to co-operate—for example, one might want to cover one area and the other might want to cover another area, with through ticketing—competition law may crack down on that and deem that they would be acting collusively, which would undermine competition. Competition is the wrong model, and we must make it clear that local transport providers should be able to co-operate and work together in the public interest.

I could go on at length and give a large number of quotes from young people—for example, "The fares have gradually gone up and up, but the service has not improved"; "I would use the buses as it saves me attempting to park the car, but I can't afford to"; "The bus goes once an hour and costs £4 return." People talk about the proportion of their income spent on fares—for example, "I am spending a quarter of my wages on buses." I am talking about young people, perhaps with Saturday jobs, and recent graduates with relatively low incomes.

The subject deserves much more time than we can give it this afternoon. I want to convey young people's frustration, and the fact that because of the way in which the system is structured it is a private monopoly about which we can do very little. The Government are considering some sort of re-regulation, but my worry is that it will not go far enough. A bit more regulation will not make FirstGroup provide a quality public service. It is a private business, and if we want a quality public service, we, the public, will probably have to pay for it.

4.51 pm

**The Minister of State, Department for Transport (Ms Rosie Winterton):** I congratulate the hon. Member for Northavon (Steve Webb) on securing this debate about a matter that is obviously vital to his constituents and the public everywhere. I wonder whether this is the first stage of his leadership bid. If it is, I am honoured to be in at the start of it.

It is right to say that buses play a key role in our transport system. Two thirds of all journeys on public transport are made by bus, well over 4 billion journeys are made in England every year, and not far off 5 billion are made throughout Great Britain. During the past 50 years, bus usage has steadily declined, but in recent years patronage has stabilised and is now steadily increasing. The problem is that that does not apply in all areas.

The hon. Gentleman referred to young people's reaction in his area. He is right in saying that too many of them give up using buses the moment they pass their driving test. I was talking to some young people in my constituency who said exactly the same thing, and our big challenge is to change that culture. We want young people to recognise the advantages of bus travel. Despite all the temptations for getting behind the wheel, we must try to change that behaviour and ensure that their peers do the same.

In Newcastle, I met the Bus Buddies, who are a campaigning group of young people, and the hon. Gentleman might like to inform his constituents of their work. They have tried to give a voice to the region's young people on bus issues. They have developed links with local bus operators, the Government office for the north-east, and local authorities in their area. I notice from today's cuttings that the bus company Stagecoach is launching a VIP ticket for young people to encourage them on to the buses in that area.

Some authorities offer discount or free travel to young people, and we have tried to find out through

local transport plans what can be done to encourage more young people to use buses. By 2010, the travelling to school project will have spent around £140 million on finding out what we can do to get more young people to walk or cycle to school, and to use public transport.

**Steve Webb:** I accidentally under-ran, so I have a little more time than I thought. I want to make it clear that the sort of people who are contacting me are not going to school and are not of an age that would be covered by a local authority concessionary scheme. They are typically 19 or 21, and I do not know of any local authority in Britain that gives free travel to 21-year-olds. I should have made it clearer who I mean when I refer to young people, because many of those concessions do not apply to them.

**Ms Winterton:** I understand that. If the hon. Gentleman is talking about over-18s, such concessions would be outwith that group. However, he referred to high fares, fare increases, and the deterrent effect on passengers.

Obviously, the hon. Gentleman knows that bus services outside London were deregulated by a previous Administration around 20 years ago. The majority of those services are now provided on a commercial basis without subsidy. However, local authorities have the power to subsidise services that are necessary for the community but not provided on a commercial basis. Around 20 per cent. of bus services outside London receive local government subsidy.

All in all, public expenditure on buses amounts to around £2.5 billion, which is up from around £1 billion a decade ago. We have seen increased expenditure on bus services, and that includes reimbursement for concessionary fares. I am sure that the hon. Gentleman is aware of our schemes for older people, which have certainly led to increased bus usage, and the bus service operators grant from my Department to support socially necessary services.

We are of course aware that when bus services were deregulated, there was an expectation that there would be plenty of competition to keep fares low and customer services high. However, we now find that in many parts of the country there is no real choice of operator. It is open to other operators to challenge the incumbent if they think they can provide services more cheaply and efficiently, or better tailored to public demand, but the hon. Gentleman is right in saying that there is a certain amount of discontent in various parts of the country about the provision of services.

All our experience in this country shows that bus services work best when there are good relations between bus operators and local authorities, and when each is prepared to invest. The local authority might invest in better infrastructure, and the operators might provide better vehicles. Each side must play its part if we are to succeed.

During a recent tour of the regions, I visited the Bristol area, and became aware of the importance of that close working together. I know that there have been many problems in the greater Bristol area in past years, but local authorities and FirstGroup have jointly drawn up a major scheme to improve bus provision, underpinned by quality partnership schemes. That builds on the successful showcase bus route scheme that was opened a couple of years ago and achieved significant growth in bus patronage. At the moment, my Department is assessing that scheme as a bid for major project funding, and we hope to make a decision soon.

It is true that there has been dissatisfaction with the way in which bus services operate, which is why we want to give local authorities a better range of options to improve bus services in their area. The building blocks were laid down in the Transport Act 2000, and we accept that they need refining.

Last May, the Government published the draft Local Transport Bill for consultation and pre-legislative parliamentary scrutiny. A major part of that is connected with bus services. As the hon. Gentleman said, we also received a report from the Transport Committee, and it published our response today. I hope that the hon. Gentleman will read that and find it encouraging. The Bill will be similar to the draft, but we have changed it to account for views expressed in the consultation.

The hon. Gentleman referred to the London-type system. The Bill will say that when there is a strong case for quality contracts—a London-type system—we will make it a more realistic option. The draft Bill would provide more opportunities for quality partnerships and, particularly, it would allow them to specify minimum frequencies and maximum fares, which I am sure the hon. Gentleman would welcome. Obviously, operators would need to be willing partners to make the partnership work, but, crucially, the negotiating hand of the local authorities would be greatly strengthened.

The draft Bill also includes measures to tackle problems such as poor punctuality, which is clearly an area in which local authorities and operators need to act in harmony. When people face a situation in which they do not know when the bus will arrive, or when they think a bus will arrive but it does not turn up, they are completely put off getting the bus. Young people who want to keep appointments are unlikely to be attracted to a bus service that offers such poor punctuality.

**Steve Webb:** May I take the Minister back to her interesting remark about the power of councils to cap bus fares? I shall pass on her words, as she would expect, to the young people, and they will read every word. Is she saying that councils will have the power to cap bus fares, but only if the bus company agrees? Is that the position?

**Ms Rosie Winterton:** The idea of a quality partnership is that local authorities will sit down with bus operators and say, "We are going to commit to improving the infrastructure, either through bus lanes or real-time information," and bus operators will reply, "If you commit to that, we will commit to this or that." That is the idea of the partnership, but agreement is important; the partnership cannot be imposed. If quality partnerships or local bus services are not delivering, we could move to the next stage—the creation of a quality contract. Again, it would be possible for local authorities to specify the routes that they wish bus services to take and fares, and it would be

*[Ms Rosie Winterton]*

up to the bus operators to tender to operate in the area, as happens in London, as we said.

Punctuality is a key part of what the Government will attempt to achieve with the Bill. The draft also contains measures that would allow the setting up of new passenger transport authorities. That measure could well benefit the west of England, where a small number of unitary authorities makes co-ordination that much more difficult. Bristol city council has expressed an interest in setting up a strategic transport authority. Local authorities in the area have recently submitted an outline proposition to the Department for Transport that would have them agree to continue to work together to develop a bid to the transport innovation fund to tackle the area's congestion challenges. I understand that that will include a number of measures to improve public transport in the area.

I hope that I have outlined not only an honest recognition of the problems that certain areas face, but a vision for the future that will give local authorities and others the powers that they need to improve services. The matter is not about massive underinvestment. I have outlined the increased investment in bus services in the past 10 years, but despite that there are still problems. The draft Bill, which the Government hope will become the Local Transport Bill, is a way in which to put right some of the problems. I hope that the hon. Gentleman will take that reply back to his young constituents and give them some reassurances.

*Question put and agreed to.*

*Adjourned accordingly at five minutes past Five o'clock.*

# Westminster Hall

*Thursday 18 October 2007*

[MR. MIKE WEIR *in the Chair*]

## Management and Services (House of Commons)

*[Relevant documents: Review of Management and Services of the House of Commons by Sir Kevin Tebbit HC 685 and 29th Annual Report of the House of Commons Commission HC 708.]*

*Motion made, and Question proposed,* That the sitting be now adjourned.—*[Mr. Watson.]*

2.30 pm

**Nick Harvey** (North Devon) (LD): It is a pleasure to be in the Chamber and to open the debate on the 29th report of the House of Commons Commission. This is the third year in which the Commission's annual report has been debated. Two years ago, there were calls in various parts of the House for a review of the way in which the House was run and a year ago, in this debate, I announced that Sir Kevin Tebbit had been appointed to review the management and services of the House. Many hon. Members—certainly several of those in the Chamber—will have met and spoken to Sir Kevin and his team during the course of his work. We are grateful to Sir Kevin and his team for the work that they did and for the full and comprehensive report that he presented just before the summer recess.

The debate is an opportunity for the House to express its view on the Tebbit report. The Commission will listen carefully to what is said before we take decisions on how to implement the report and the recommendations that it makes. I hope that all hon. Members, whether they are taking part in the debate or not, will let the Commission know what they think of the review and the recommendations and what they think should be the priorities for change.

The Commission has already agreed to some preliminary steps towards the implementation of the report, including, in particular, to merge the estates and works functions, which will be headed by a new parliamentary director of estates from next January; to appoint a new director-general of facilities, who will supervise not only estates and works but accommodation, office services and the full range of services within the House; to reorganise the Board of Management on functional lines to try to strengthen the corporate sense of work in the House, as Sir Kevin's report expressed the feeling that some of the Departments operated somewhat on their own and that there was not a sufficiently corporate sense of purpose; and to strengthen the office of the chief executive.

Full implementation of all the recommendations in the report would clearly take considerable time, and we will focus on those that are most significant to the delivery of services to Members. I am pleased to say that, in general, Sir Kevin found that the way in which the management of the House operated was encouraging and reassuring. He did not think that the systems were broken. The performance of the service is generally well regarded, and its reputation with other parliamentary services is high. In only one area—the management of estates and works—did he feel a clear need for remedial action, and that is why I have flagged that up as the one that the Commission latched on to first and that we thought ought to be a priority.

The report is not the only measure this year of how House services are performing. The Board of Management, with the support of the Select Committee on Administration, which we thank sincerely for its work in the House, conducted a survey of Members and Members' staff and produced a report in May 2007. There was a good response rate to the survey, as 45 per cent. of MPs and 54 per cent. of their staff responded, a significant increase from the responses the previous time that the exercise was conducted. Broadly speaking, those who responded were representative of the political mix and other mixes in the House. One MP told the survey that

"given the nature of the main inhabitants"—

MPs—

"the place works remarkably well."

Broadly speaking, that is a summary of the conclusions.

One thing that the Commission stopped to ponder was the fact that only a fifth or so of Members thought that the Commission was working very or fairly effectively, while a third or so thought otherwise. We had to ask ourselves whether we should be alarmed by that, but, if we consider the combination of the findings of the survey and the recommendations from Sir Kevin Tebbit, we think that broadly speaking perhaps the fairly low-profile way in which we do our work is not something that is likely to communicate itself to Members and necessarily strike chords with them. The definition of a good club committee is that often nobody notices what it is doing and we think that a better measure of the work that we are doing is the level of Member satisfaction with the services that the House provides rather than their having noticed us making headlines or doing anything very eye-catching, which it is not, in truth, our purpose to do.

When asked how the services of the House had changed recently, most MPs and staff said that they had not changed significantly, but well over a third said that they had become more effective. Only one in 10 Members felt that services had become less effective. That is no cause for rejoicing, but nevertheless it shows that some satisfactory progress is being made.

Most respondents felt that the emphasis on providing advice and services for the House and Committees as well as for individual MPs and their staff should broadly remain the same, but the survey does suggest that more attention should be paid to promoting public knowledge of the work of Parliament. That is certainly something that we have discussed on previous occasions during debates such as this.

The Board of Management is also drawing on the survey to make improvements to particular services and to ensure that the services that work well continue to do so. I want to say a few words about promoting public knowledge, which is an important challenge for the House. A recurrent theme in such debates and the Commission's work throughout the year is explaining the role and work of Parliament to the public. Over the past year, the 17 visitor assistants have completed their

*[Nick Harvey]*

first full year and my impression is that that service and system has got off to a good start. We have sent out 265,000 copies of the new voters' guide since July 2006. The radical overhaul of the parliamentary website is still a work in progress. Parliament has had 891,000 visitors, and the outreach visits by the education service teams to support MPs in their work with schools when the pupils are not able to reach Westminster are also gathering momentum.

One recognises that some schools that are a long way from Westminster, such as those in my seat of North Devon, struggle to organise regular school visits. We do not want to restrict access to Parliament to children who are educated in the south-east. There is a limit on how far school parties can travel in a day and often a financial limit on their ability to organise extended visits to London. We are interested in helping school parties to visit and the Administration Committee has recommended financial support for that. We have asked the group that works on informing the public to try to work up some proposals on how we might do that, and they will come back to the Commission for consideration later. The Select Committee on Finance and Services will want to provide input, too. We will continue to talk to the parliamentary education service about the sorts of ways in which we can improve access to Parliament not only for school children but for other members of the public from around the country.

At some point in these debates, we usually turn our attention to information technology. This year has seen the passage of the Parliament (Joint Departments) Act 2007, which enabled us to put the Parliamentary Information Communication and Technology Department on to the necessary statutory basis as a Department of both Houses. PICT has been the subject of an inquiry by the Administration Committee, to which the Commission will consider its response shortly.

The survey of services shows low satisfaction in some areas, particularly with remote access, which many of us know to be less than satisfactory—IT installations, printers and one or two other detailed points. The Administration Committee said:

> "The feedback we have received from Members since we were appointed in July 2005 has made us aware of a significant undertone of dissatisfaction with the ICT services provided by Parliament. We want to ensure that processes are in place to enable appropriate Members' services to be delivered efficiently and to an agreed standard."

I am sure that all Commission members would echo that aspiration and do what they can to help bring about an improvement. No one should underestimate the scale of the change that bringing PICT into being has entailed and nor should anyone underestimate the size of the challenge of providing services to Members, their staff and constituency offices, peers and everybody working in the Palace. If a new Department with new leadership of all these challenges is taking a little while to get on top of every last detail, I do not think it should be any great surprise. I want the House to understand that there is a determination to continue to work to make the improvements and to ensure that we get a service that everybody regards as satisfactory.

A useful development has been the PICT local offices, including the one in Norman Shaw South, which is in a sense an outreach post that Members can get to relatively easily from their offices in order to receive face-to-face help. I, myself, have used it and was very impressed by the service. A steady flow of Members have been making use of that new service—even, indeed, during the summer recess. Members have wanted help with mobile computing, remote access and other such points.

The Administration Committee recommended

> "that PICT should commence market investigation so that we and other relevant bodies can be presented before the end of the year with a range of costed options for the provision of regionally based support units."

Certainly, there has been a certain amount of dissatisfaction with support to constituency offices, and we will want to look at that when the financial implications have been worked through.

I answer parliamentary questions on behalf of the Commission. They cover many and varied topics, but the single most recurring theme relates to green issues and Parliament's environmental record. I am grateful to Members for keeping those issues at the forefront of people's attention. I think that it is right that they do so. I point to the Speaker's introduction to this year's annual report. He observed that

> "all of the House's electricity has come from renewable sources since February 2007—the full year effect will be to cut our carbon emissions from energy by 70 per cent, equivalent to an annual reduction of 3,400 tonnes of carbon".

that

> "40 per cent of our waste (equivalent to 850 tonnes) was recycled in 2006/07—up from 37 per cent in the previous year".

and that

> "we reduced the total amount of water used on the estate by 15 per cent from the previous financial year (equivalent to more than 83,000 cubic metres)."

Although I readily acknowledge that, of course, further work needs to be done across the board on our environmental performance, those observations point to progress in the right direction. Over the summer, the management boards of both Houses held a joint meeting on that subject to co-ordinate their policies, and, recently, the House auditors carried out a review of the systems for environmental management, which will come before the Administration Estimate Audit Committee shortly.

There is no doubt that we can, and will, do more, to manage our environmental performance effectively and, certainly, as I said, it is the most popular subject for parliamentary questions to the Commission. As I have said once or twice in answers to oral questions, some colleagues could do a little more to help our environmental performance, by being slightly more diligent about switching off lights when they leave their offices. Quite often the totality of those individual actions is more effective than inventing smart systems to deal with the problem. Having said that, as a Member with an office in Portcullis House, I share the frustration of other colleagues with offices there with the heating and cooling systems, which are supposed to respond to the environment outside, but occasionally do so at a pace rather more leisurely than that at which the climate changes outside.

I shall touch on the international parliamentary bodies. The Commission will make a decision shortly on whether to accept the transfer, from the Treasury, of responsibility for funding the Commonwealth Parliamentary Association, the Inter-Parliamentary Union, the British-Irish Inter-Parliamentary Body and the British American Parliamentary Group. The Finance and Services Committee has been considering that and is recommending to the Commission that the transfer take place, subject to conditions. The Commission will make a decision between now and Christmas, with a view to the new system, if there is to be one, coming into place from April of next year.

The Tebbit report recommended that the Commission take over responsibility for making grants in aid to those four inter-parliamentary bodies, at a total cost of £3.3 million per year. It is a finely balanced issue. We have to be careful about the extent to which a precedent might be set and we must attend to issues of proper governance and the reputation of the House as a whole. As a member of the Administration Estimate Audit Committee, I am conscious of the need for the House to be seen to be exercising proper oversight for internal, as well as external, activities. Certainly, where those are funded from the administration estimate, we will ensure that that happens.

Freedom of information has featured often on the Commission's agenda in the past year, as well as on that of the Members Estimate Committee, when information has been sought relating to parliamentary allowances. Next Thursday, for the fourth year in a row, the House will publish details of Members' expenses in the previous year. That is under the publication scheme introduced when the House chose to be covered by the Freedom of Information Act 2000—it did not fall under the original Act. The publication scheme was agreed at the time and is a comprehensive way in which to get the personalised expenditure figures for each Member into the public domain.

The Commission fully respects the fact that there is public interest in the disclosure of information about how public money is being spent through those allowances. It is understandable that from time to time journalists, in particular, seek information beyond that which is covered by the publication scheme. We have to strike a balance, therefore, between the public interest and the privacy of Members, not least where their families, homes and staff—they are entitled to privacy as well—are concerned.

The Commission or the MEC has to consider whether requests that go beyond the publication scheme should be agreed to, resisted, or if need be, appealed against to the Information Commissioner, the tribunal, or even ultimately, the courts, where a decision would have to be struck, balancing the public interest and data protection for MPs and for other public officials.

In the light of some controversy in the past few months, however, I make it perfectly clear that neither the Commission nor the MEC had any substantive discussion about the Freedom of Information (Amendment) Bill. We did not take any view on it. We did not support or, indeed, oppose it, but we decided that, even if the Bill was passed, the House would continue to publish the same information about Members' allowances that has been disclosed under the freedom of information publication scheme every autumn for the past four years.

Looking ahead, the Commission is conscious that substantial work will be needed over the next 10 years or so on the historic building in which we work, and the cost of replacing the mechanical and electrical systems and repairing the roofs is estimated to be £200 million or more. We await detailed plans as part of the long-term estates strategy. They depend partly on the arrival of the new parliamentary estates director, which, as I mentioned, is scheduled for January. It will be the major task on the new appointee's desk on day one in the post.

There has been some press attention this week about the following issue. The Commission has discussed very tentatively the possibility of partial closure of the building to enable the work to be carried out more cheaply and quickly. However, there is absolutely no view at this time about what the best options will be. It will be a matter for the new director to work up some proposals for how he or she thinks those huge tasks should be undertaken and to bring them forward to the Committees in due course for consideration.

I must say a few words about the sorry matter of the visitor reception building. Last year when we had the debate, I fully expected the building, which is just outside Westminster Hall, to be open by now. The Commission has received reports at almost every meeting over the past year, and it has been very dissatisfied with the delays, the reasons for which are many and complex. I cannot say much about them at this stage, because we are doing our best to unravel them, so that we can have the building finished and functioning as soon as possible. A recovery manager has been appointed and is doing a good job. For the first time, the Commission feels that somebody is getting on top of the complex issues to which I have referred. When the building is finished, I have no doubt that the Administration Estimate Audit Committee, among others, will have to examine what has happened.

Members know that the Senior Salaries Review Body has been considering Members' pay and allowances over the past year or so, and we await its report, which may or may not lead to changes, and subsequently, to revisions of the Green Book. Members also know that a new communications allowance started in April, and the Commission and MEC have undertaken to review it in the light of experience.

I have probably said enough by way of introduction to the Commission's report and work over the past years. I thank all the staff of the House, who work so hard on behalf of Members and Committees. They do their very level best to make the working of the House more efficient and the experience of Members undertaking that work as pleasant as possible. I particularly thank the Clerk to the Commission, Andrew Kennon, his secretary, Louise Sargent, who deals meticulously with all the parliamentary questions that come our way, and all the staff who support the Domestic Committees of the House. We are very grateful to them for their work in keeping us functioning as well as we can. I very much look forward to hearing what Members have to say about the report, the Tebbit review and the work of the House, and to feeding their comments back to my colleagues on the Commission in due course.

2.54 pm

**The Leader of the House of Commons (Ms Harriet Harman):** This month, I shall celebrate having been a Member for 25 years. I bring to the post of Leader of the House and to my membership of the Commission—this is my first such annual debate—a perspective from the days when the House authorities did not have to bother about passes, because there was no pass system, and when Members were much less demanding of the support services, because constituents hardly ever wrote to them. When they did, they did not expect to get a reply, and quite often they did not. Now, we would all like more change to and improvement of the support services and House facilities, but they have transformed over the years, and I echo the thanks that have been given to the Commission and to the staff who work on it.

I am pleased to have my first opportunity as Leader of the House to contribute to the debate about the work of the House of Commons, and particularly about the review of the administration of House services, which Sir Kevin Tebbit recently undertook on behalf of the Commission. It was a running theme of the debate two years ago that there should be a substantial external review of the House management and services in order to follow on from the reports by Sir Robin Ibbs in 1990 and Michael Braithwaite in 1999. The hon. Member for North Devon (Nick Harvey) announced in last year's debate that the review had been commissioned, and that is what we are debating today.

I join the hon. Gentleman in thanking Sir Kevin and his supporting team of House officials. The governance of the House through the Commission is conducted independently of the Government. Hon. Members know that, as Leader of the House, I am a member of the Commission ex officio and represent the Government on it. However, as all my predecessors have acknowledged, the role of the Leader of the House, whether on Commission matters or more widely, is not purely to represent the Government. I take the concerns of all Members into account. I have sought to make it clear to colleagues that I view the role and position of Parliament with the utmost importance, and I want to ensure that the work I do, including on the Commission, contributes to Parliament's effectiveness.

As the Leader of the House, I chair the Modernisation Committee, promoting consideration of reforms to the House. The Commission's role is not so much to ensure that the House has the best means of conducting business, but that it has the right resources and administrative structures to allow the best, most effective work. Those two roles are in many areas complementary, not least in the important task of ensuring that the work of Parliament not only is effective but comes over to the public as effective and relevant. That is part of what we call the issue of public engagement, which in turn is rightly one of the Commission's three primary objectives.

Following the Modernisation Committee's 2004 report, "Connecting Parliament with the Public", my predecessor-but-one, now the Parliamentary Secretary to the Treasury, finished his speech in this debate two years ago with remarks on the theme of engagement with the public, which he described as "crucial". My immediate predecessor, now the Secretary of State for Justice and Lord Chancellor, also emphasised the importance of that activity. I fully agree, and so does the Prime Minister. He showed his commitment to it with his 3 July statement on the governance of Britain and with his more recent speech proposing, among other things, a Speaker's Conference.

Traditional representative democracy faces challenges on a number of fronts, and Parliament has the central role in sustaining trust, confidence and a sense of efficacy in the representative political process. I, like the hon. Member for North Devon, therefore attach great importance to the Commission's work in conducting and supporting moves to make Parliament more welcoming and accessible; in increasing public information about its work and how House decisions impact directly on everyday life; and in informing people how they can find out more and become more closely involved.

I therefore welcome the recent proposal from the Administration Committee, chaired by my hon. Friend the Member for Aberdeen, North (Mr. Doran), which the House endorsed in June, to prioritise educational facilities. The Committee's report envisages identifying more space for visitors from schools and colleges in the wider accommodation strategy under development.

I am fortunate to have a constituency that is near to the House. Whenever I am out and about in schools in my constituency, I meet young people who talk to me about Parliament because they have visited it. They have a point of reference—a lifelong memory that stands them in good stead. Indeed, I sometimes meet people who came here as a child and are still interested in Parliament because they remember that visit. I cannot over-emphasise the importance of visitor services.

This annual debate provides us with an opportunity to recognise the amount and quality of the work that the House staff do during the year. As the Commission's report states, there are now some 1,700 staff employed in the Departments of the House. They support the work of the House effectively. They work on maintaining buildings to a high standard; on security, which is of growing importance; in the catering services, some of which are absolutely excellent; in *Hansard*; in the different parts of the Library—I think that the Library of the House of Commons is one of our crowning glories—in the administration of our pay and allowances, the importance of which is never to be underestimated; in the procedural and Committee support offices, and elsewhere. I pay tribute to their work. Many of them, including people working in cleaning, catering and security, live in my south London constituency and are my constituents, so I have good reason not to take their work for granted.

Further challenges to which staff will need to respond in the coming months will include implementing any agreed changes to allowances arising from the coming Senior Salaries Review Body report; procedural changes arising from the work of the Procedure Committee and the Modernisation Committee, and work arising from the report of the Administration Committee on ICT services for Members.

Of course, I used some of the services provided by staff more directly when I was a Back Bencher than I do now as a Minister. One of the principal jobs of Parliament, and therefore of its staff, is to assist Members in the effective scrutiny of the Government,

and it is the Commission's job to assist that process. That relates not just to the Library but to the Table Office and all such staff.

One area in which there has been recent change is IT services for both the House as a whole and Members directly. The recent Administration Committee report on ICT services for Members showed some of the difficult issues involved and some of the problems that individual Members face in getting the services that they need with acceptable reliability. That report and the Commission's annual report showed some areas of improvement, but also noted that more work was needed. They also showed that the House authorities were well aware of the importance that Members attach to the issue and the need to continue the progress made. As Leader of the House, hon. Members often raise with me the continuous need for improvement, reliability and particularly, as the hon. Member for North Devon said, remote access. The new PICT service is designed to facilitate that. It was established in 2006 under the leadership of Joan Miller, and we wish it every success in that important work. The Government supported those developments by making legislative time available to enable the Parliament (Joint Departments) Act 2007, which allows the service to have its full required status as a Department of both Houses, to get through Parliament and on to the statute book.

Expenditure issues are important. The Commission's report sets out the resources required for the administration of the House. They are substantial, running at £210 million for the year in question and £233 million for the current year. That is in addition to expenditure on Members' salaries and their travel, staff and other costs, which brought the total to about £365 million in 2006-07.

Administration costs, like costs anywhere, are subject to constant upward pressure. In recent years, the Commission has succeeded in containing costs in real terms, subject to additions only for specific, unavoidable items such as security. We must always consider the climate of expenditure controls in the public sector as a whole, and many parts of government are expected not just to hold costs steady in real terms but to reduce them or accommodate within them new and additional services. That is something that we all need to bear in mind when calling for additional services, which can include new procedures such as evidence taking in Public Bill Committees, however beneficial such changes might be.

The conclusion of the review of management and services by Sir Kevin Tebbit is that, overall, relatively little fundamental change is needed. However, he is clear that there are things that need to be done to ensure continuous improvement in services. He makes a number of recommendations on the detailed workings of the Commission, the Finance and Services Committee, chaired by hon. Friend the Member for Middlesbrough (Sir Stuart Bell), the Administration Committee, chaired by my hon. Friend the Member for Aberdeen, North, who is here today, the Board of Management under the chief executive and the individual Departments. He also makes recommendations about the operation and role of the Audit Committee.

I wish to pick up on two wider points that Sir Kevin makes in the report. One relates to expenditure, which I was just discussing. Sir Kevin suggests that, while there is little evidence of direct waste, the relative lack of budget discipline to which the House is subject compared with the running cost reductions imposed on Government Departments means that there is a need for more prioritisation in the use of resources for different projects. That is clearly something that the Commission and the other decision-making bodies of the House should address.

Sir Kevin calls for a more developed performance management system to allow better tracking of performance against objectives and priorities. He advocates more regular rolling surveys of Members' satisfaction with services and notes the need for organisations to avoid focusing too much management attention on an unduly narrow set of objectives instead of a more balanced range of key strategic objectives—the balanced scorecard approach. I am sure that both the Commission and officials will want to examine that carefully as we take forward the implementation of the review.

I wish to emphasise again my commitment to the Commission's work and my role as a member of it. It plays a key role in overseeing and directing the House independently of the Government, including in the delivery of the services that the House needs to scrutinise the Government, the services that individual Members need to support their work and those needed to maximise good communication and interaction with the public. I am pleased to be able to take part in the debate and pleased that I and the Deputy Leader of the House have the opportunity to hear the views of other hon. Members.

Finally, I wish to pay tribute to the work of the hon. Members who are fellow members of the Commission. It must be said that it is not one of the most glamorous jobs in Parliament, and I am sure that the hon. Member for North Devon is not beset with people admiring his work and thanking him for it, but I should like to take the opportunity to do just that. Somebody has to volunteer to take the lead, and it is difficult, thankless work, but incredibly important. I thank him and the other members of the Commission for their work.

3.6 pm

**Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): I am pleased to speak on behalf of the Opposition in this annual debate. After listening to the Leader of the House comment on how matters have changed in the 25 years that she has been a Member of Parliament, I must confess, after two and a half years in the House, to an experience that I had in my first few months. I was waiting in the Chamber to be called by the Speaker in a debate in which a number of people wished to speak. I returned back to my desk and found that I had three e-mails from the same person. The first e-mail was a legitimate inquiry, the second was rather stroppy and complained that I had not replied and the third informed me in no uncertain terms that I would not be getting that person's vote. It was with some satisfaction that I was able to reply to that individual and tell him that he was not my constituent.

I welcome the report by the House of Commons Commission. It is a thorough piece of work and all

*[Mr. Shailesh Vara]*

those involved in its production are to be complimented, particularly the Speaker, the Leader of the House, the shadow Leader of the House, my right hon. Friend the Member for Maidenhead (Mrs. May), and all the other Members who serve on the Commission. I commend, too, all the staff who supported them in helping to produce the report. Our debate takes into account, too, Sir Kevin Tebbit's review of management and services of the House, to which I shall return.

This is an important debate, as it covers the issues that enable us, as parliamentarians, to do our jobs efficiently. It is the machinery behind the scenes that keeps the institution of democracy well oiled and functioning efficiently. All the House of Commons staff deserve a huge round of applause for the work that they do in the background, whatever they do, throughout the estate.

I agree with much of the Commission's report, and I do not intend to go through its points in detail. Indeed, many of the salient points have already been covered, but I should like to touch on a small number of issues. IT support for Members has already been mentioned, and I am happy to say that, since the merger that led to the setting-up of the PICT service—the Deputy Leader of the House and I took part in a debate on the Bill that gave legal sanctity to that merger—there has been an improvement. It is fair to say that some Members are still a little concerned about IT support in remote locations, particularly in their homes or constituencies, but I am pleased that that is being worked on.

It is good to see that we are becoming ever more environmentally conscious and that rates of recycling and energy conservation continue to increase. However, may I take the liberty of suggesting that the Commission consider introducing a greener procurement agenda for those who supply services, goods and materials to the House? Perhaps we should take a look at their green credentials to assist with greener matters generally.

The security measures necessary in the House reflect the times we live in and, regrettably, it is necessary to introduce a more advanced pass structure. I do not think that anybody will complain about that, but I hope that the system will be closely monitored in the early days, particularly when there is a Division. Members may recall some MPs, including myself, could not open a door when there was a three-line Whip because the card reader would not accept our passes. I hope that that point will be taken on board, certainly in the early stages. I also thank all the security staff, who make our work much easier and who ensure that we can carry on in these difficult times. I welcome the increased public access to the House, as well as the visitor centre, which will doubtless assist in encouraging greater numbers of people to come here. A 10 per cent. increase in visitors is certainly to be encouraged, and I very much hope that the numbers will keep increasing.

Paragraph 94 on page 36 of the Commission's report says:

"Proposals...in the Modernisation Committee's report of 2004-05 on European Scrutiny have not yet been considered".

Given the importance of that subject, particularly on the day on which the Prime Minister is engaged in talks overseas on European matters, it is regrettable that the Government have been selective in implementing the measures proposed by the Modernisation Committee.

Parliamentary questions are, of course, an important part of the workings of the Commons and, indeed, the Lords. I welcome the extra days that have been set aside during the recess for tabling questions, and the system has, by all accounts, been successful. I look forward to its continued availability and perhaps even an increase in the number of such days, depending on the results of any surveys that are carried out.

I appreciate the concern expressed by Government Ministers about the huge volume of questions that they receive. However, if they answered questions properly at the first time of asking, they probably would not receive so many supplementaries. Once, when I tabled a written question, the Department concerned told me that it could not answer because of the format in which the question was tabled. I tabled a similar question to another Department, which said, "We don't have the information in the format that you requested, but here's the information in the format in which we have it." May I suggest that all Departments use a huge dose of common sense when answering questions to ease such problems?

We are also dealing with Sir Kevin Tebbit's review of management and services of the House of Commons. It is an excellent report, which I support broadly, and I congratulate Sir Kevin and his team on a voluminous, but nevertheless effective piece of work. It makes several sensible proposals, and I shall deal with just a small number of them. I entirely agree with the proposal to merge estates and works services into their original form before the de-merger. It is certainly a good idea to strengthen the role and office of the Clerk of the House of Commons.

Sir Kevin raises the important issue of education. Given that young people are increasingly apathetic about the political process, we should do all that we can to make politics more interesting and to make them more aware of what happens in Parliament. With that in mind, it is particularly important that the parliamentary website is improved—a point that Sir Kevin made in his review. At present, the website is not particularly user-friendly, and it could certainly be made easier to navigate. I welcome the proposal that the Board of Management should include external members. I am all for having expertise and talent, from whatever quarter, and we should lose no pride in seeking advice and assistance from outside if that assists the proper functioning of Parliament.

I would, however, sound a note of caution. Sir Kevin's review speaks of targets to measure success and failure. It is important that we do not go down the route of targets for targets' sake or introduce a culture of targets. By all means, let us have broad objectives—there is no reason why managers should not also have objectives—but we should be wary of implementing targets simply because that is what everybody else is doing. We must look carefully at the circumstances, and we should not do something just for the sake of it. As I said, I do not want to make a lengthy contribution. I simply conclude by again thanking the Commission for an excellent piece of work, which I for one certainly endorse.

3.16 pm

**Mr. Frank Doran** (Aberdeen, North) (Lab): I am grateful for the opportunity to contribute to this debate on House services. All the contributions so far have made it clear just how important those services are.

I am the Chairman of the Administration Committee, which was appointed to consider the services provided by and for the House. The Committee mainly represents the interests of Members, and it advises the Speaker, the House of Commons Commission and senior staff on how to meet Members' needs. Since 2005, the Committee has produced reports on a range of services, including post-election services, catering, accommodation and IT. The hon. Member for North Devon (Nick Harvey) referred in some detail to our important report on facilities for visitors to Parliament—particularly the education unit—which has been a major part of our work over the past year.

We have considered a wide range of issues. We had to make some major decisions on smoking policy, including the difficult decision to ban smoking from the Smoking Room. We also decided to continue calling it "the Smoking Room", despite the fact that it is a non-smoking room—hon. Members can make of that what they will. We recommended that the relevant legislation be implemented throughout the parliamentary estate, despite the fact that there was no requirement to do so. Implementation is, however, proving difficult, and we shall have to return to the issue, because there is a lack of appropriate areas where people can smoke without causing a nuisance to others in the area. We continue to keep the issue under review.

The Committee spent a considerable period over the past year developing the principle and detail of the communications allowance, which has now been implemented. That accounted for a significant part of our work. We are monitoring closely the implementation of the new system of access control. The hon. Member for North-West Cambridgeshire (Mr. Vara) mentioned IT systems, and rightly noted that facilities in Members' constituencies are still a major difficulty. We have worked closely with PICT to improve those services, and substantial progress has been made, including the introduction of the one-stop shop mentioned by the hon. Member for North Devon. We hope that improvement will continue. Our aspiration is to provide the same level of service in constituency offices as in the House. All Members will understand the importance of that for the day-to-day work of their offices. We decided that one of the Committee's major objectives should be to make its work open and transparent, and detailed notes of our discussions are placed on our website. Frequent updates are circulated to Members and staff, and we regularly consult Members and staff as part of our inquiries.

As for Housewide issues, I have already mentioned educational facilities and facilities for visitors to Parliament. We work closely on such matters with our equivalent Committee in the House of Lords, and we hope that there will be scope for future co-operation on other issues. I want to take the opportunity to thank my colleagues on the Committee for their hard work and their commitment to improving services in the House; to the heads of Departments and their teams, with whom my Committee has, since its establishment, built a rapport; and the Clerk and his team, who have given us excellent support throughout the past year.

An issue that we frequently confront is the increasing demand on services in the House, and we must recognise the scale of the challenge. More and more is expected of Members, which, in turn, puts pressure on services in the House of Commons, which we need to do our job. The Tebbit report notes that

"the picture is one of rising numbers...greater costs and higher expectations."

That creates difficulties for all of us who are trying to deal with those services. For example, while the number of Members has remained broadly constant, the number of Members' staff on the payroll has increased by 35 per cent. since 1998-99. The number of House and other staff has also increased. As an example of the growing pressure on services, the Refreshment Department has increased the number of meals that it provides in a year by 50 per cent. since 1988-89, from 1 million to 1.5 million. The range of information technology services, and information provided by the Library online, has greatly increased. Increased security concerns have required significant change to the fabric of the building and to working practices. The provision of modern facilities must be combined with the maintenance of the Victorian Palace of Westminster. That is not always easy, particularly with the heritage authorities sitting on our shoulders. The output of reports from Select Committees has increased markedly, and the number of questions has increased—I could go on.

Members of Parliament are not a homogenous group, and we have varying needs and priorities. We talk in our Committee of 646 individual private businesses; we have those discussions particularly in relation to the provision of IT services, as every hon. Member has their own needs and demands when running their office. The House service does a very good job of trying to cater for all our disparate needs. We are not always the easiest of customers, and we must recognise that. Sir Kevin Tebbit's recommendations are a key part of our considerations. He has produced a thoughtful, thorough and useful report which I and my Committee welcome. We particularly thank Sir Kevin and his team for the way in which they went about their work. They took the trouble to speak to the majority of Committee members individually, and they attended Committee meetings in which we discussed the progress of the review. Sir Kevin was very helpful when answering our questions.

Sir Kevin made recommendations about objectives and performance management for Departments of the House. That has been welcomed by other hon. Members, and it was certainly welcomed by the Administration Committee. We are keen to be closely involved in establishing the new framework and in monitoring its implementation. Effective performance measurement is complex in an organisation where much of the work is reactive, but it is also the key to improving the services that we receive and to ensuring that the House works well. The Administration Committee supports the changes to the Board of Management recommended by Sir Kevin. Its present structure is, we believe, too unwieldy and not ideally suited to service delivery. External advisers could provide an alternative viewpoint and ensure that performance is benchmarked against best practice elsewhere. Perhaps I could add a word of caution, however, as changes at the top will inevitably have an impact at every other level among staff. It is extremely important that management should handle any changes with the utmost sensitivity.

*[Mr. Frank Doran]*

The Committee agrees that the Board of Management should examine the broader issue of a more proactive House service. Departments of the House need to do more to inform hon. Members of the range of services available to them, and to do so instead of taking a reactive approach. The Committee agrees, too, that a client relations group should be established within the Serjeant at Arms Department to provide a more responsive and integrated service to Members for accommodation and facilities. Some colleagues will know that I met staff representatives earlier this week to discuss the issue of priority for MPs in the House of Commons. It was an extremely useful meeting, despite what hon. Members may have read in the press, and I was grateful to the staff representatives for arranging it. One very obvious conclusion for me from what I heard is that we need to improve our communication with staff. I understand that there are good lines of communication for staff of the House through the staff representatives and trade unions, but there are very few for Members' staff. I hope that a way can be found to include the representatives of all the staff employed in the House in any consultations that are established following the review.

The Committee's view is that facilitating services for hon. Members should be a higher priority than providing information for the public. If extra funding is to be released for public information provision—for the parliamentary website, for example—the Committee should be involved in close scrutiny of any proposals, which should be subject to approval or veto by the Finance and Services Committee and the House of Commons Commission.

Sir Kevin makes two recommendations about the Administration Committee. First, he recommends that the size of the Committee be reviewed, on the basis that smaller bodies are more likely to be effective. We strongly oppose a cut in membership, as a complement of 16 allows us to include representatives of smaller parties. Their views are particularly important in many of the decisions that we make, and we need to include as broad a cross-section of Members' views as possible.

Secondly, Sir Kevin recommends that individual members of the Administration Committee should be invited to track particular services, such as catering and IT, on behalf of the Committee as a whole. The Committee intends to revisit that idea shortly, but it has considered it in the past and decided not to pursue it, basically because we were anxious not to return to the old Committee system that the new Committee replaced. We did not want to recreate a sub-Committee system, but we will examine Sir Kevin's recommendations.

In conclusion, Sir Kevin points out that changes in the way the House operates in recent years have brought

"changes in the scale and complexity of management and service delivery."

As well as improving services for Members, the House must promote public engagement with its work—in particular by improving the educational facilities that it offers. It is vital that the House service should not lose sight of the central importance of allowing hon. Members to carry out their work as effectively as possible. The Committee plays a key role in working with the House service to achieve that goal, and Sir Kevin's review is an important guide in improving services and delivery. The Committee cannot represent Members' views unless it is aware of them, and I would like to take this opportunity to remind Members that they should not hesitate to contact me or any other member of the Committee to raise issues that are of concern to them.

3.28 pm

**Simon Hughes** (North Southwark and Bermondsey) (LD): Like the Leader of the House, I am participating in a debate of this kind for the first time, even though I am, being just behind the right hon. and learned Lady in length of service, close to clocking up my quarter century as a Member. The story that she told is right: for all that time, the public's demands on the place have grown and the system has had to respond, as would happen elsewhere.

I believe that my hon. Friend the Member for North Devon (Nick Harvey) and his colleagues on the House of Commons Commission, the hon. Member for Aberdeen, North (Mr. Doran) and his Committee, and other hon. Members, seek to keep up with the new state of the nation—and the world—whose expectations are ever rising. It is quite difficult to keep up in that way in an old building not built for such a purpose, but in general the political colleagues who lead those bodies, and the staff whom they employ, do very well. Of course there are always new challenges, but I want to join other hon. Members in starting my remarks by paying tribute to their excellent work.

This is the people's Parliament—that is not my phrase; I have nicked it from other people—and therefore in the debate about whether we are looking after Members or the public, we must always seek to look after the public better as we serve them. There are sometimes tensions, an example of which is provided by the meeting attended by the hon. Member for Aberdeen, North the other day. In my view, there was a slight misinterpretation in the directive that went out about who should have priority for services. The announcement did not reflect the more detailed and sophisticated debate that had gone on between the relevant authorities and did not quite hit the nail on the head. That is a sensitive area, but we should address it.

Some wise owls among the parliamentary colleagues to whom I have spoken said that it is not a matter of giving priority to Members, but of having the ability to deliver certain, pinched services more speedily. That is not a criticism of people within the system, but a suggestion that we need to deliver more cups of cappuccino per five minutes in Portcullis House, to use a limited example. Of course, that has staff and cost implications, but there are ways of doing things in those sensitive areas.

The hon. Member for Aberdeen, North raised a second sensitive area. The House took the view that we should be included in the anti-smoking legislation. I dissented from that legislation nationally, although my party was, by policy, a protagonist for it. I still take a more liberal and dissenting view on those things, and I hope that we will not drive out those people who smoke into unimaginably unpleasant corners of the estate and

that we seek to accommodate them. For some people, it means the difference between a sane or an insane day in the office, and helps them to cope. I hope that we can be civilised towards those people who do something that is perfectly legal, and allow them to be accommodated appropriately.

The third controversial issue, which I have just spotted, was mentioned by my hon. Friend the Member for North Devon: the future of our location if we decide, when the building is looked at, that it needs major structural repair. That time may come. I realise that this is premature and that lots of people will be considering this for a long time, but there is a pretty obvious answer to the fundamental question, and I want to flag up a second issue. If we have to do major work on the Commons Chamber, the obvious answer is that it must be more cost and time-efficient to move elsewhere for a period and then move back than to try to do it over 30 years in the holidays. That might be regarded as a rather strange or perverse proposal, but the Commons has moved before when necessity required it, and there are alternatives available. I hope that we are sensible about cost, even if we have to be relatively radical about the solution.

At the same time, I hope that it will give us the chance to reflect on whether it would be better for the main Chamber to be organised in the same sort of shape as this Chamber, or in a semi-circle, rather than in the traditional, entirely accidental and now extremely anomalous, old chapel shape, where we sit in pews opposite each other. That is not the best way to get proper, informed and intelligent debate. Most Parliaments around the world do not have that layout any more, and I hope that we will take any such opportunity to get us back here in a new structure.

Malcolm Jack and his colleagues in all the Departments: the Serjeant's Department; the catering services—I shall be told off if I miss any out—the Clerks Department; PICT, our information and technology colleagues; the Library Department; the Official Report; and Finance and Administration, all do very professional jobs very well. We each use each of their services at different times and we all have cause to thank them and their staff, who are often extremely good.

I hear that there are 1,700 staff, and I have seen the pie chart on page 65 of the report, which shows the diversity of the staff. They are just under 70 per cent. white, 4.6 per cent. Asian, 8.5 black, 0.5 per cent. Chinese, 1.8 per cent. mixed, 1.8 per cent. other, and the inevitable 2.4 per cent. not declared and 11.5 per cent. unknown. I do not know whether that is because they did not know; actually, I know the answer, it is because they did not declare it on the form. That diversity is helpful, but we need to see it at all management levels, because although the senior management team is equally gender balanced, which is a compliment to the parliamentary estate, there are none the less no black or Asian faces in senior management. Just from being around the place, I sense that the preponderance of black, Asian and mixed race staff are in the lower grades on lower pay. We need to work harder at all levels to have a diverse staff that reflects not only Britain, in which 8 or 9 per cent. of people are from the black and minority ethnic communities, but the capital city, in which that figure is more like 40 per cent.

We should also try to recruit people from the United Kingdom as a whole, rather than just locally. Some people would see it as a great privilege to come here for a while, even though they might eventually go back to your country, Mr. Weir, or elsewhere. It is important to ensure that this is the UK's Parliament. Whatever view certain parties take about whether that should be the future is a separate issue. We need to try, so I make a big plug for diversity at all levels from the senior all the way down.

**Mr. Vara:** Does the hon. Gentleman agree that the terms "black" and "Asian" are too broad? Someone like me, of Indian origin but born in Uganda, would be called Asian, but that term can mean anyone from Sri Lanka, Bangladesh or India, or an east African Indian such as myself. In the same way, the term "black" could mean someone from the Caribbean countries or from Africa. While I appreciate their good intent, I hope that those who take such figures on board will recognise that they are not as accurate as they could be.

**Simon Hughes:** I am sure that the hon. Gentleman has thought about these things more, and more personally, than others of us have. Without getting into the detail of the debate, we should listen to his wise words. Obviously, there are officially recognised categories used in censuses and so on that we should follow.

May I add another plea? There is no legal requirement to employ any particular number of people with disabilities, but we have a moral requirement to staff generally. There is a target figure, but I am not sure whether we publish details of that. When I last inquired, we were way off the target. I would be grateful to know what the current figures are, and I think that we should hold ourselves to account. I am also talking about people who can work sometimes but not all of the time. I understand that it is difficult for employers, but I have employed people with sight difficulties and visual impairments. People who are schizophrenic can work perfectly well on the days that they are in good health—it is simply more unpredictable—but they can do job sharing in those circumstances. If we are talking to the rest of the nation about employment, we need to be as good an employer as anyone else, and we have a big enough work force to do that.

As my hon. Friend the Member for North Devon said, Mr. Speaker started his report by pointing out that the issue that comes to the top of the pile, across the estate, is concern for the environment. That is understandable and I am grateful for the efforts that we have made—I flag them up and thank people for them. Let me add my shopping list. First, there is far to much unnecessary use of lifts. If people use the lift to go up two floors and it looks unnecessary to me, I challenge them. In City Hall, there are stickers by the lift doors saying, "Is your journey really necessary?" If we are not to be the obese society that we are told we will become, many people should be using the stairs instead of the lifts. That is a serious point. It is also energy consuming, and we should challenge everyone on the estate not to use lifts unless they absolutely have to. I realise that we must not drive ill and aged people to walk up six flights of stairs, but there is a sensible medium.

Secondly, getting lights and power turned off is a perpetual battle. I have twice had to phone the Speaker's

*[Simon Hughes]*

Office as I have gone past to tell someone that the lights in the Speaker's House are absolutely ablaze at 11 o'clock in the morning on a sunny day. We really must all try harder. I try persistently. It is about everything from the power points on the computers and televisions to the heating, although that is more difficult. My hon. Friend mentioned Portcullis House. I live on the top floor, and the heating there has been extremely hot on occasions. I understand the difficulties, but using as little energy and heat as is compatible with the job seems to me to produce a better service, and we are all more awake as a result.

I am not sure whether the reports are printed on recycled paper. They do not say that they are and do not look as though they are. If they are not, they should be. If they are, I apologise, but they ought to say so. I hope that we will do everything we can to ensure that all our documents are on recycled paper.

I declare an interest in a tricky issue that was raised last year. On every fine day, I cycle in if I can. If it is wet, I do not, and I have to admit that occasionally I do not cycle on fine days. In fact, today was one—but I cycled in yesterday. There are now cycle racks outside 7 Millbank, but there ought to be more. We need to work with Westminster city council on this. It is not adequate to say that we cannot find a place. I understand the issues within the estate, but there should be signs to indicate to the public that there is adequate provision for everybody who wishes to cycle to this place. It is the healthiest way to get here, second only to walking, and for many of the staff it would be a better and more pleasant way to come to work. I hope that we can increase provision inside and outside the estate.

The Library does a fantastic job. The Pitt and Fox exhibition, the photographic exhibition and other exhibitions that I have been privileged to attend and, on one occasion, to open, have been excellent. I commend the Library for its reactive and proactive services, which are increasingly good. All the lectures and staff training that it offers and the subject briefings are excellent. Long may its services continue.

Other colleagues are much more knowledgeable about computers and technology than I am. I acquired a personal digital assistant—a little hand-held thing—only last week. I have not yet been brave enough to let go of my mobile phone and transfer everything to the one machine, but I am getting there. Some colleagues, of course, are absolutely competent with technology. Probably the best way to test what works, including things such as websites, is to have them tested by a representative group of our staff—the 20-somethings—to whom their use is second nature. They would soon say whether a website is good and accessible, compared with all the others, and they would soon say whether machinery is easy to use. We do listen to the voices of the young who are brought up with these things, but the more that we can listen to them, rather than to those of us who manage technology but in only rather limited ways, the better.

I am grateful that on various occasions when I have needed rescuing at the weekend—when I have been stuck somewhere trying to get into my laptop—somebody has found the answer for me much more quickly than two or three years ago, when I used to have many unhappy hours and sometimes had to give up completely. That is definitely progress.

On engaging with the public, it is good that we are producing *Voting Times* and other such publications. The roadshows around the country are a good idea. I hope that they will be held county by county, and that that can be done so that people across the county know about them. Perhaps MPs from the county could be invited to join in.

The visitor assistants are great. I see them at work. They are the right sort of people, in that they are really engaged, which is appropriate. Yesterday, I asked a group who came down from Solihull to visit my hon. Friend the Member for Solihull (Lorely Burt) whether they had had a tour. They commended the woman who had taken them around. She was enthusiastic and positive, and had a thorough knowledge of the history. The Leader of the House was right. I meet people all the time who have a clear recollection of a positive experience when they came here. Getting this right absolutely makes the difference to people's perceptions about whether or not this is their place. I commend such initiatives.

We must make it possible for schools outside the south-east to visit Parliament. I make an offer through the Deputy Leader of the House and my hon. Friend the Member for North Devon. I am privileged in that my constituency is almost the nearest one to this place. The hon. Member for Vauxhall (Kate Hoey) is the first over the bridge. My suggestion would involve buildings such as Bankside house, which is owned by the London School of Economics. It is let out during school holidays, term holidays and university holidays. We could probably do more for those from Scotland, Wales and Northern Ireland and the north country and west country. We could work out packages including an overnight stay that would give them an opportunity to do things. Now that the Prime Minister and Mr. Speaker have given their support for the use of the Chamber during the holidays, there are all sorts of opportunities for those for whom one day is not realistic, with the best will in the world, and who could come, provided the trip were not prohibitively expensive. I am happy to talk to my hon. Friend about such matters.

We hope the visitor centre will be open soon. I understand the frustration about the delay. May I make just one point? There is one thing that we do not yet do well in respect of visitors, in spite of our best efforts: managing the lobbies that pass through security and communicating to Members that visitors have arrived. I would be happy to offer suggestions. The green card system does not work well enough, and there is no automatic way, if somebody comes, to inform the MP or their office. Occasionally, one wants to run away from constituents. We know that, so let us be honest about it. We may not wish to see them, but that is not normally the case. We are normally willing to see them, particularly if they have come from further afield. I am sure that we could come up with a system. I have regularly been frustrated because people have been kept waiting when I have not known, or they have tried to communicate but have not been able to get through. We should have a better system at the main ports of entry. I would be happy to work with colleagues on that.

Freedom of information has come up during this debate. I accept what my hon. Friend said about the Commission's not taking a view on the Freedom of Information (Amendment) Bill, which was introduced by the right hon. Member for Penrith and The Border (David Maclean). I am glad that it failed. It would be nonsense if Parliament were exempt from freedom of information legislation. We must be as accessible and as open as any other legislature in the United Kingdom and elsewhere in the world. I hope that my hon. Friend, the Commission and other authorities will ensure that we always have as open a system as the most open in the United Kingdom. The Scottish Parliament has a very open system, and I hope that we will model ourselves on the best and the most open and not on anything that is more restrictive.

We should do more joint working with the House of Lords. I know that we are two different Chambers, but we are one Parliament, and there is every logic, financially and otherwise, in working together wherever possible.

The Tebbit review is a business-like set of proposals about structures of management. It is not a radical document. It is a relatively conservative document, responding to a relatively conservative brief. There is nothing wrong with that. Assuming that it does not propose ripping up the system and starting again, I hope that the Commission and the authorities will be positive about adopting it and not water it down. It contains some good proposals for streamlining, having more accountable management and ensuring that the system works better.

It is a privilege to work here. There is always a challenge to work better, and all of us, staff and parliamentary colleagues, try to do that. We try to do it so that we can reflect the views of those who send us here. I am grateful for the opportunity to thank those who help us in our important work.

I end where I began: we are the people's Parliament. The test of how well we are doing is how well other people think we are doing, how accessible we are and how responsive we are to the issues of the day and people's desire to inter-relate with us. That will always be the test, and I hope that we will go on doing better and better in the years ahead.

3.48 pm

**Hugh Bayley** (City of York) (Lab): I have not been a Member of this House as long as my right hon. and learned Friend the Leader of the House of Commons, but I have seen a substantial improvement to the management of the services and facilities for Members during the time that I have been here. In fact, I remember when I first arrived 15 years ago asking for House of Commons stationery printed on recycled paper. The Sergeant at Arms Department was absolutely aghast and said that that was completely impossible because archived parliamentary papers had to last for at least 200 years, and no recycled paper had ever lasted that long. I suppose that we had had recycled paper for only a few decades. It took months of argument, but eventually recycled letterheads were produced. They were overprinted with a massive recycled logo, just to warn the grand old men of this place that they should not write their speech notes on it because the paper would self-destruct years before historians had come to realise the true import of what they had to say. I was pleased to hear what the hon. Member for North Devon (Nick Harvey) said about the environmental attention to detail that the Commission now has. That is a welcome change indeed.

I chair the Commonwealth Parliamentary Association UK branch, and I have come to make some arguments on its behalf. The CPA UK branch is a parliamentary body, but it is funded by grant in aid from the Treasury. The hon. Member for North Devon made the point that the Finance and Services Committee of the Commission has been considering the applications that have been made by the CPA UK branch and the three other similarly funded bodies: the British group of the Inter-Parliamentary Union, the British-American Parliamentary Group and the British-Irish Inter-Parliamentary Body. I was delighted to hear from him that, earlier this week, the Committee approved in principle the applications for a transfer of funding from the Treasury to the Commission, and I hope that the Commission will agree with that recommendation. The Tebbit report is firmly in favour of a transfer of funding for these bodies from the present arrangements to the Commission. Recommendation 56 says:

> "The House of Commons Commission should take over responsibility for making grants-in-aid to the four inter-parliamentary bodies."

And the bodies agree.

I speak only for the CPA UK branch, but all four bodies applied in a joint application to the Commission earlier this year. Before we submitted our application, we had some informal conversations with the Second Church Estates Commissioner, my hon. Friend the Member for Middlesbrough (Sir Stuart Bell), who chairs the Finance and Services Committee. He wrote in February this year to the Father of the House, the right hon. Member for Swansea, West (Mr. Williams), who represented the British-American Parliamentary Group, saying:

> "Sir Kevin Tebbit is currently reviewing the administration of the House. You could suggest to him that includes this subject"—

the funding for the four groups—

> "in his review."

We were pleased that he did so.

There are three reasons why the House of Commons Commission should take over responsibility for our funding. I realise that there will need to be an apportionment of the expense, if the Commission were to agree, between the House of Commons authorities and those in the House of Lords. The three reasons why I believe our applications should be approved are as follows. First, as a matter of principle, we are parliamentary bodies involved in the scrutiny of the Executive, among other things, and we should not be financially dependent on them.

Secondly, in terms of accountability, we receive public funds to do our work. In the current year, between the four bodies, we received funding of £3.3 million. We should be fully transparent and accountable for how that money is spent, and we would be if we came under the authority of the House of Commons Commission.

Thirdly, the transfer should take place because our work is important; it involves many Members of Parliament and many members of the other place. The CPA UK branch has 749 serving members—432 Members of

*[Hugh Bayley]*

Parliament and 317 peers—together with 509 associate members who are former members of either of the Houses of Parliament. The British group of the IPU has 779 current serving members and the British-American Parliamentary Group has 651. The British-Irish body is different; it is set up, in effect, as a Joint Committee of the UK Parliament and the Irish Dáil and has a limited membership of 25 full members from our Parliament and 20 associate members.

Let me say a little bit more about the three reasons for the transfer taking place. First, the principle that parliamentary bodies should be financially accountable to Parliament not the Executive is important; but, sadly, it is not just a point of theory. Our decision to apply to the Commission for grant-in-aid was prompted by the Treasury's decision, taken unilaterally without consultation, to cut the budget of each of our four organisations by 5 per cent. in real terms in each year over the coming comprehensive spending review period. We met the then Chief Secretary to the Treasury, my right hon. Friend the Member for East Ham (Mr. Timms), who brooked absolutely no negotiation and presented this to us a fait accompli, a done deal. Naturally, we wanted to defend the budgets of our bodies, but we are not seeking funding from the Commission because we think that it will be more generous to us than the Treasury, although we hope that, if it were to take us on, we would retain funding at our current level and get the same sort of inflation uplift from year to year as other parts of the parliamentary estate.

We recognise that the House of Commons Commission, if it took us on, will scrutinise our work and may press us for savings or changes of policy, but funding decisions by the Commission would be decisions taken by parliamentarians about the usefulness or relevance of our activities to the work of Parliament. That is different from the Executive taking unilateral decisions about how Parliament should do its work. So, in a way, we are not just seeking money from the House of Commons Commission, but protection from the power of the Executive.

Secondly, on accountability, the Commission, after we submitted our applications for grant-in-aid, sent back to us by return a series of penetrating questions, as follows. How did each of our groups set our budgets? Would we accept that we would have to be subject to value for money studies by the House of Commons Administration Estimate and Audit Committee? Of course, the answer was yes, we did accept that. We were asked whether, if the House of Commons had to make reductions in spending, we accepted that we too would have to receive reductions in our grant-in-aid. Yes, of course we do; there is no question. In all, 13 questions were asked and each of the groups provided detailed answers to them. If we were taken under the wing of the House of Commons Commission, we would comply fully with all its requirements and we would be more accountable, publicly and transparently, as a result, which we would welcome.

Thirdly, may I say a few words about the work of my group, the Commonwealth Parliamentary Association? Our group, like the others, has the active participation of more than 50 per cent. of hon. Members of the House of Commons and, indeed, more than 50 per cent. of the members of the House of Lords. The CPA works to spread parliamentary democracy and good governance throughout the commonwealth. Our work is respected, not least by Sir Kevin Tebbit, who includes as Annex 2 in his report extracts from the 2006 Commonwealth Parliamentary Association publication by our study group on benchmarks for democratic legislatures. He uses the benchmarks that we developed as a kind of quality standard against which the independence, financial and otherwise, of our Parliament ought to be measured.

In 2005, among other things the CPA UK branch and the British group of the Inter-Parliamentary Union collaborated during the year of Africa, when the then Prime Minister took to the G8 Gleneagles summit and the UK presidency of the European Union proposals for a radical change in the relationship between the developed world and Africa. He commissioned the Commission for Africa report, and we two inter-parliamentary bodies responded by organising a conference with two representatives from each G8 country, each EU country and each country in Africa—one representative from the Government party and one from the Opposition—to discuss how we would ensure that our respective Governments met their side of the bargain: that is, how the donor countries would meet their side of the bargain in terms of additional funding and how the African recipient countries would meet theirs, as set out in the new partnership for Africa's development, in terms of strengthening the rule of law, dealing with corruption and tackling conflict in the continent, and so on. We were doing work that is directly relevant to the aspirations of our Parliament. Last year, our CPA branch held the first parliamentary seminar on gender issues.

This year, we are holding four seminars, and the one in February was on restoring trust in the political process. Each seminar is held in the UK, and we invite representatives from other Commonwealth countries. In March, we held a seminar on Westminster parliamentary practice and procedure, and in June it was on the governance of the United Kingdom. A major seminar in November will be held on climate change when we shall seek to produce a toolkit to guide Members of Parliament in both developed and developing Commonwealth countries through the issue in their own Parliaments.

The CPA UK branch recently joined a consortium made up of the Westminster Foundation for Democracy, the National Audit Office, the House of Commons Overseas Office, the International Bar Association, and other bodies in bidding to provide parliamentary capacity-strengthening services to the Department for International Development. Hon. Members will know that we also arrange inward and outward delegations to and from other Commonwealth countries, and in recent years we have changed the focus of those visits more clearly and directly to address more political issues that are of concern to Members of our House and of the House of Lords in their work in this place.

All those activities are important to Parliament. Like some of the inter-parliamentary bodies that the House of Commons already funds, such as the NATO Parliamentary Assembly and the Organisation for Security and Co-operation in Europe Parliamentary Assembly,

the CPA UK branch is expected from time to time to take its turn in hosting the international organisation's annual conference. The year 2011 will be the CPA's centenary year, which is the next year when it is our turn to play host to its annual conference. There will be an additional cost in that year of some £1.7 million at 2006 prices. When it is the turn of the NATO and OSCE Parliamentary Assemblies to host conferences, they must also put in unusual and supplementary estimates to cover the cost of those events. We have, naturally, told the House of Commons Commission that that cost is on the horizon. We were asked to reveal any large expenditure that might crop up in the next three years, and the centenary year is slightly beyond three years, but as we knew about it, we wanted to tell the Commission. I hope that it will support our application for funding that conference.

The four groups are independent and different from most, but not all, the functions and services that the Commission funds. We want to preserve our independence for many reasons, not least because we want to remain independent of the party Whips. We think it would be a bad thing and not in Parliament's interest if the Whips took decisions on, for example, who represents those associations on foreign visits and if those decisions were made on the basis of patronage. That independence is important.

The CPA UK branch is a registered charity, and there is a question about whether the House of Commons Commission should fund independent groups, but there is a precedent in the History of Parliament Trust, which is a charity and is independent of Parliament, but receives grant in aid of £1.6 million a year from the Commission. Page 68 of the report states:

"There remains one area where the House does not have control over all the resources necessary to achieve it purposes. In 1990 the Ibbs report recommended that a number of Votes should be consolidated on the Parliamentary budget, including the annual grants-in-aid from the Treasury to the History of Parliament Trust, the British-American Parliamentary Group, the United Kingdom Branch of the Commonwealth Parliamentary Association and the British Group of the Inter-Parliamentary Union. In the event the Commission took on only the grant-in-aid to the History of Parliament Trust; the Treasury still makes the grants to the international bodies, now including the British-Irish Inter-Parliamentary Body."

At that time, there was no funding threat to our bodies from the Treasury, and their view was that if it ain't broke, don't fix it. However, the vulnerability of grant in aid from the Treasury has been made clear, and I hope that the House of Commons Commission will provide the protection that we need. The Tebbit report recommends

"that the House of Commons Commission should take over responsibility for making grants-in-aid to the four inter-parliamentary bodies."

My right hon. and learned Friend the Leader of the House is a member of the House of Commons Commission. She was present earlier, and I hope that my hon. Friend the Deputy Leader of the House, will ask her and let me know whether the Leader of the House will support the application of the four inter-parliamentary groups to receive funding and financial scrutiny from the Commission. She may have already have put the question, and if so, I hope that she will be able to reply during her response.

The right hon. Member for Maidenhead (Mrs. May), who represents the Conservative party on the Commission, was in the Chamber earlier, and I ask her hon. Friend the Member for North-West Cambridgeshire (Mr. Vara) to talk to her to see whether he can persuade her to support what would be a right and sensible decision by the Commission to take responsibility for our bodies. That would be in the interest of Parliament, and it would certainly be in the interest of the bodies. I hope that a favourable decision will be made in good time before Christmas, so that we are aware of the financial situation that we expect to be in next year and can plan our affairs accordingly.

4.8 pm

**The Deputy Leader of the House of Commons (Helen Goodman):** It is a pleasure to serve under your chairmanship this afternoon, Mr. Weir.

I have been a Member of Parliament for only two and a half years, and it is only six months since I was asking what I hope were difficult questions of the hon. Member for North Devon (Nick Harvey) about the House's environmental performance and giving evidence to Sir Kevin Tebbit in preparation for his report. When I did so, I did not expect to find myself in my present position with its ensuing responsibilities.

I am reminded of someone I knew in the Foreign Office who sent an instructing telegram to someone who was conducting trade negotiations in Paris. The person who was supposed to undertake the negotiations fell ill, so the person I knew had to fly to Paris, undertake the negotiations, send a reporting telegram home to London, fly back, read the reporting telegram and thank the person who had done the negotiations. His final telegram began, "You spoke well."

I shall begin with green issues, which are one of hon. Members' main concerns. Clearly, it is important that the Commission take a balanced approach to green issues. The hon. Member for North Devon described significant improvements in recent years that were made against the difficult background of an awkward building that was not designed to cope with modern technology and the ever-increasing demands placed on it. There are some excellent statistics at the back of the 29th report, and the Commission will notice that, over five years, despite significant improvements, the estate's energy use per square meter has increased and that levels of waste recycling have not changed significantly. I am sure that it will take those things into account.

When we look at the work of the Commission and the responsibilities of the House authorities, we can see how different issues interrelate. I see that much more clearly than I did was an ordinary Member. Several hon. Members mentioned the importance of improving IT and the improvements that have been made following the establishment of the Parliamentary Information and Communications Technology Department. Improvements in off-site IT and communications support for Members will be beneficial, because the pressure to provide more staff in the Palace will be reduced. Improvements on a number of fronts can be made by pulling only a small number of levers.

We heard about the increasing number of people who work in the Palace. Again, at the back of the report there are some interesting statistics on Members' staff and the staff payroll. Hon. Members may wish to learn

*[Helen Goodman]*

about the detail underlying those numbers, and I have secured some information that may further inform the Commission's considerations. The latest estimate for the number of people occupying the estate is 4,700, including 646 Members, 1,850 House staff, 1,250 Members' staff and 950 other individuals, who can be disaggregated into 475 policemen or other security staff, 175 members of the press, nearly 80 people who work on other services, 120 contractors, and a small number of members of other groups including, for example, the Commonwealth Parliamentary Association. When we look at the pressure on accommodation and what can be done about it, it is helpful to consider all of the groups that contribute to it.

**Simon Hughes:** I assume that the figure for contractors includes everyone who is not directly employed by the House, although I do not expect the Deputy Leader of the House to confirm that now. I hope that she agrees that we should, as far as possible and as a matter of principle, directly employ as many of our own staff as we can, as opposed to using agency staff or individuals employed by other people. I realise that financial considerations sometimes make such arrangements impossible.

**Helen Goodman:** In all honesty, I am not in a position to respond to that because, clearly, the most important thing is that the Commission should use its resources efficiently. I do not know whether it would decide to employ all estate staff directly.

Many hon. Members spoke about the [redacted]e of engaging the public. It is important th[redacted]most disengaged group—young people—are give[redacted]rity. That has happened now following the work by the Administration Committee and the investment in educational facilities. My constituents are in a different situation from those of the Leader of the House of Commons, or those of the hon. Member for North Southwark and Bermondsey (Simon Hughes), because my constituency is 250 miles away. Last winter, five young people—they were about 15 years old—came down to London to attend an event organised by No. 10. Of those five young people, two had never been to London. Indeed, not only had they not visited Parliament before, they had never travelled so far from their homes, which is why we must consider the needs of people from faraway constituencies.

My hon. Friend the Member for City of York (Hugh Bayley) spoke eloquently about the work done by the Commonwealth Parliamentary Association, the Inter-Parliamentary Union, the British-American Parliamentary Group and the British-Irish Inter-Parliamentary Body. His words and his persuasive case will be listened to intently by members of the Commission, who are aware of the upcoming 2011 conference. I am not in a position to speak on the Commission's behalf, but I shall report what he said to the Leader of the House. The Commission's decisions are collective—they are not made purely by the Leader of the House, so it would be wrong of me to make any commitments, but I repeat that my hon. Friend made a persuasive case.

I agree with the hon. Member for North-West Cambridgeshire (Mr. Vara) about the web. An £11 million investment programme will run over the next five years, and the Librarian is particularly conscious of the importance of improving the gateway. The site is good when one enters it and uses it to track, for example, the progress of a piece of legislation, but the gateway is not user-friendly. That is well understood and work is under way to improve it.

My hon. Friend the Member for Aberdeen, North (Mr. Doran) spoke about the Administration Committee's work. Obviously, that work is both thorough and wide-ranging, and I am sure that everybody is grateful to him for his leadership. Hon. Members made numerous practical suggestions, but I see no need to comment on all of them. I conclude by saying how grateful we are to all members of staff. They have difficult responsibilities and work in an extremely challenging environment, but they are greatly appreciated.

4.19 pm

**Nick Harvey:** I thank you, Mr. Weir, and all right hon. and hon. Members who have taken part in the debate. We have had a very good discussion about and look at the various areas of work in which the Commission and the House service are involved. We were delighted to welcome the Leader of the House, who has recently come on to the Commission and brings, as she pointed out, the benefit of many years' experience in the House. I also pay tribute to the Secretary of State for Justice and Lord Chancellor, the former Leader of the House, who served on the Commission for a year and was a very good member of it. He had very interesting ideas and priorities, which he pursued with great determination. We will miss him because he contributed very much to the Commission's work.

The right hon. and learned Lady was right to augment what I said about the Tebbit report with the attention that she gave to his points about the use of resources, the need for the House always to ensure that it is receiving good value for taxpayers' resources and the need to evaluate what we do, for example, through a scorecard system.

The hon. Member for North-West Cambridgeshire (Mr. Vara), speaking for the Opposition, was right to say that some hon. Members remain dissatisfied with the ICT services. The Administration Committee has quantified and measured that and flagged it up, but I hope that we have reassured him that it is recognised and that more work is taking place on that front. He urged us to pursue a more green procurement agenda, and I will certainly ensure that the Officers of the House take that on board.

The hon. Gentleman referred to the new security passes—I have taken delivery of mine just today. There is some confusion on the part of some hon. Members, although not the hon. Gentleman, who think that the PIN—personal identification number—system will be used at every point throughout the estate where the card is required. That is not true. Only at the external perimeter will the PIN system be needed, but he makes a good point that if the cards were in any sense inhibiting the ability of hon. Members to get to Divisions, we would have to attend to that as a priority.

I am sure that the hon. Gentleman's points about reforms of European scrutiny will be noted in the

appropriate places. He also warned against targets for targets' sake, which was a commendable thought. He let us off the hook slightly by saying that we could have priorities instead of targets, but I took the point that he was making.

**Mr. Vara:** Objectives.

**Nick Harvey:** Objectives—that was it.

The hon. Member for Aberdeen, North (Mr. Doran) described the work of the Administration Committee, for which we are very grateful. I am always very grateful when it is the hon. Gentleman and not me who gets stuck with answering for some of the tricky decisions. In particular, that Committee took the difficult decisions about smoking. My hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) said that he hoped that smokers would not be given too unsatisfactory a deal. I do not think that they have been. The covered terrace between Portcullis House and Norman Shaw South, for example, is quite a civilised place to go and smoke. I must say that I would not much fancy hovering in some of the inner courtyards, but needs must as the devil drives. If they feel the need, at least there are those facilities for smokers dotted about the estate.

**Hugh Bayley:** Choke points.

**Nick Harvey:** Yes, indeed—quite so.

I thank the Committee for its ongoing work on ICT issues. The aspiration for the facilities outside the Palace to be as good as those inside is absolutely right. As the Deputy Leader of the House said, that will overcome some of the pressure to have more and more staff located inside the House.

I was also very relieved that the hon. Member for Aberdeen, North and not me found himself in the firing line over giving priority to MPs in accessing the services of the House. I welcome the fact that it sounds as though he has had a constructive meeting with staff to examine the complexity of some of these issues. I think that my hon. Friend the Member for North Southwark and Bermondsey acknowledged that in some cases common-sense solutions will be needed to try to make things better for everyone.

My hon. Friend considered many aspects of the work of the House. He referred to the possibility of our ending up with a temporary partial evacuation of the building to facilitate some of the works that need to take place. It is, as he acknowledged, far too early to make even any preliminary judgment as to whether that will be necessary or desirable. There has been confusion in some of the press reporting that the need to replace the roof might exacerbate that. I am not in any sense minimising the significance of that task, which will be huge, but I think that the replacement of the mechanical and engineering infrastructure will be more disruptive of the work that goes on inside the building. That is absolutely enormous in its scope. The basic infrastructure of the building is more than a little aged and will have to be replaced. If a point comes at which we are replacing entire heating and plumbing systems, there will have to be quite careful consideration of how that can be done incrementally or whether, if we try to keep going with business as usual through such major works, there is a danger that we will have one or two unfortunate consequences, not least to the public purse. As we have already acknowledged, we have to use the public's money wisely.

My hon. Friend's points about diversity were well made, and I will ensure that they are given attention by the relevant parts of the administration. He referred to a green shopping list and the need for stickers asking us all to ask ourselves whether we need to use the lifts. I take his point. I do not know the answer to his question about recycled paper, but I will place that in front of the appropriate Officers.

My hon. Friend referred to facilities for cycling. I myself have just resumed cycling after a brief interval of some 30 years, and I take his point that we need facilities around the place. We have taken the view, on security advice, that we can allow only passholders to bring their bicycles within the boundary of the parliamentary estate. Beyond the perimeter, there are other issues, in that this area of Parliament square and Whitehall, with the Government Departments in it, is in itself a security zone in which considerations are a little more complicated than they might be for any other London street. However, I acknowledge the desirability of what he describes.

My hon. Friend's suggestion that we use some of our staff as a representative group to test services is very good. He referred to putting together packages for visitors from other parts of the country, which was a very interesting idea. I am entirely in sympathy with what he said about lobbies and the green card system and his points about more joint working with the House of Lords. I take the point in his gentle chiding about the Tebbit process, in that we decided to embark on a review that was limited to a test of how effective the changes from the previous review, the Braithwaite review, had been and that the recommendations that Sir Kevin has come forward with are by no means earth shattering. Therefore, I will feed my hon. Friend's view through to my fellow Commission members. At the very least, what he has recommended should be given favourable consideration.

The hon. Member for City of York (Hugh Bayley), in his capacity as chair of the Commonwealth Parliamentary Association, spoke about the work of the international bodies and flagged up the 2011 centenary conference. It is not my place to give rise to unjustifiable hopes, but I will say to him gently that, although perhaps the devil will be in the detail, he and his colleagues can consider that they have cleared one of the higher fences on the course by getting a positive recommendation from the Finance and Services Committee.

The Deputy Leader of the House, whom we welcome in her new role, also made the point about ICT. She gave us a detailed breakdown of the different categories of users of the parliamentary estate, who number in total some 4,700 in the Commons part of the estate. The categories into which she broke that down included even the press, for whom facilities have recently been refurbished. One can only hope that the new comfort in which they find themselves will stop them writing such beastly things, but that is probably more of a hope than an expectation.

*[Nick Harvey]*

The Deputy Leader of the House also pressed for improvements to arrangements for visitors coming from far away, pointing out that some visitors to Parliament from her constituency were making their first visit to London. Having driven through her constituency last Sunday, I appreciate that the communication difficulties from there to London are comparable to those in my own, and we must do all that we can to help more visitors come here.

I hope that I have addressed some of the main problems mentioned. If there are any outstanding points, I shall respond to right hon. and hon. Members. To echo the words of others, I thank the staff of the House for everything that they do to improve the efficiency of our work. We are all very grateful to them.

*Question put and agreed to.*

*Adjourned accordingly at half-past Four o'clock.*